

SMART EDUCATION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Company Registration Number 05497433

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COMPANIES HOUSE

Tenon Limited

The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

SMART EDUCATION LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2008

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SMART EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO SMART EDUCATION LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Smart Education Limited for the year ended 31 December 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Tenon Audit Limited
Registered Auditor
Nottingham

27 May 2009

SMART EDUCATION LIMITED
ABBREVIATED BALANCE SHEET
31 DECEMBER 2008

	Note	2008 £	£	2007 £	£
Fixed assets	2				
Tangible assets			15,850		31,046
Current assets					
Debtors		709,409		622,241	
Cash at bank and in hand		587,359		74,772	
		<u>1,296,768</u>		<u>697,013</u>	
Creditors: amounts falling due within one year		<u>(239,147)</u>		<u>(266,848)</u>	
Net current assets			1,057,621		430,165
Total assets less current liabilities			<u>1,073,471</u>		<u>461,211</u>
Creditors: amounts falling due after more than one year			(3,204,525)		(2,031,526)
			<u>(2,131,054)</u>		<u>(1,570,315)</u>
Capital and reserves					
Called-up share capital	4		5,846		5,846
Share premium account			578,771		578,771
Profit and loss account			(2,715,671)		(2,154,932)
Shareholder's funds			<u>(2,131,054)</u>		<u>(1,570,315)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 19 May 2009 and are signed on their behalf by:



R Fielding
Director

The notes on pages 3 to 5 form part of these abbreviated accounts.

SMART EDUCATION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

During the year, the company generated a loss of £560,739 (2007: £479,408) and at the balance sheet date it had net liabilities of £2,131,054 (2007: £1,570,315).

The company relies on the shareholders and the loan note holders for financial support. The shareholders have undertaken to provide such support as is necessary to enable the company to meet its debts as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures & fittings	- 25-33% straight line
Equipment	- 50% straight line

The cost of the tangible fixed assets is their purchase price plus any incidental costs of acquisition.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Exchange differences are taken into account in arriving at the operating profit.

SMART EDUCATION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2008

1. Accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Fixed assets

	Tangible Assets £
Cost	
At 1 January 2008	104,461
Additions	<u>3,931</u>
At 31 December 2008	<u>108,392</u>
Depreciation	
At 1 January 2008	73,415
Charge for year	<u>19,127</u>
At 31 December 2008	<u>92,542</u>
Net book value	
At 31 December 2008	<u>15,850</u>
At 31 December 2007	<u>31,046</u>

3. Related party transactions

Included within administrative expenses is a charge of £124,862 (2007: £406,315) in respect of Smart Teachers Pty. The transaction was a transfer of funds to aid Smart Teachers Pty company activities. This loan has been fully provided against during the year. R Fielding and G Lennox hold shares in this company.

Director loan notes amounted to £1,506,880 (2007: £660,130). Director loan notes include amounts held or beneficially held by R Fielding £700,612 (2007: £291,987), G Lennox £700,612 (2007: £291,987) and HGC Aldous £105,656 (2007: £76,156). These were the maximum amounts held during the year.

4. Share capital

Authorised share capital:

	2008 £	2007 £
1,000,000 Ordinary shares of £0.01 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £0.01 each	<u>584,615</u>	<u>5,846</u>	<u>584,615</u>	<u>5,846</u>

SMART EDUCATION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
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5. Ultimate controlling party

The company's ultimate controlling party is considered to be R Fielding and G Lennox acting in concert.