

SMART VENTURES INC.

FORM 10-Q

(Quarterly Report)

Filed 7/10/14 for the Period Ending 6/30/14

Address 1907 Woerner Road
HOUSTON, TEXAS 77090
Telephone 1-832-717-4412
CIK 0001420915
Symbol SMVR
SIC Code 1381 – Drilling Oil & Gas Wells
Industry Oilfield Services
Cannabis Related Investments
Transportation

Fiscal Year 12/31

FORM 10-Q

[X] QUARTERLY REPORT UNDER OTC MARKETS PINK REPORTING

For the quarterly period ended June 30, 2014

SMART VENTURES , INC.

Exact name of small business issuer as specified in its charter

Nevada

(State or other jurisdiction of Incorporation)

98-0427221

I.R.S. Employer No.

1907 Woerner Road, Houston, TX. 77090

(Address of principal executive office)

832-717-4412

Issuer's telephone number

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b2 of the Exchange Act Yes [] No[X]

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13, or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. 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: 1,244,680,000 shares of Common Stock as of May 07, 2014.

Item 1.

**CONSOLIDATED FINANCIAL STATEMENTS
SMART VENTURES, INC.
BALANCE SHEETS**

ASSETS

**June 30,
2014
(Unaudited)**

Current Assets:

| | |
|---------------------|-------------------|
| Cash | \$ 24,813 |
| Accounts Receivable | <u>\$ 748,000</u> |

| | |
|-----------------------------|-------------------|
| Total Current Assets | \$ 772,813 |
|-----------------------------|-------------------|

Other Assets

| | |
|--|-------------|
| Equipment, Furniture and Computers | \$ 176,931 |
| Goodwill Acquisition of The Sanday Corporation | \$1,103,359 |
| Equity Investments | \$1,050,000 |

| | |
|---------------------|---------------------------|
| Total Assets | <u>\$3,103,103</u> |
|---------------------|---------------------------|

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current Liabilities:

| | |
|----------------------------------|---------------|
| Accounts payable | 15,000 |
| Advances from shareholders | <u>70,000</u> |
| Total Current Liabilities | 85,000 |

Stockholders' Equity (Deficit):

| | |
|--|-------------|
| Common stock, \$.001 par value; 1,500,000,000 shares authorized 1,244,680,000 shares issued and outstanding at January 24, 2014 | \$1,244,680 |
|--|-------------|

| | |
|----------------------------|-------------|
| Additional paid in capital | \$1,773,423 |
|----------------------------|-------------|

| | |
|---|--------------------|
| Total Stockholders' Equity (Deficit) | \$3,018,103 |
|---|--------------------|

| | |
|---|---------------------------|
| Total Liabilities and Stockholders' Equity (Deficit) | <u>\$3,103,103</u> |
|---|---------------------------|

SMART VENTURES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | For the Period ended Apr 30, 2014 | For the Six months ended June 30, 2014 | For the Nine months ended | For the Twelve months ended | From November 22 2006 (Date of inception) June 30, 2014 |
|---------------------------|---|--|---------------------------------|-----------------------------------|---|
| Revenue: | \$301,590 | \$198,573 | | | \$500,163 |
| Accounts Receivable | \$748,000 | | | | \$748,000 |
| Total Revenue | \$1,049,590 | \$198,573 | | | \$1,248,163 |
| Operating Expenses: | | | | | |
| General & Administrative | \$240,634 | \$173,760 | | | \$414,394 |
| Less Accounts Receivables | \$748,000 | | | | \$748,000 |
| Total Operating Expenses | | | | | \$1,162,394 |
| NET PROFIT OR LOSS | | | | | \$85,769 |
| <hr/> | | | | | |
| Weighted Average Shares | | | | | |
| Common Stock Outstanding | 33,000,000 | 33,000,000 | 33,000,000 | 33,000,000 | 1,244,000,000 |

SMART VENTURES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

| | From June 30, 2014 |
|---|--------------------------|
| Cash Flows Used in Operating Activities: | |
| Net Cash or Net Loss | \$ 198,573 |
| Adjustments to reconcile net (loss) to net cash provided by operating activities: | |
| Accounts Receivables | \$ -0- |
| Increase to accounts payable | \$ -0- |
| <hr/> | |
| Net Cash Used in Operating Activities | \$ 198,573 |
| Cash Flows from Investing Activities: | |
| Cash Flows from Financing Activities: | |
| Advances from shareholders | -0- |
| Issuance of common stock for cash | -0- |
| Receipt of Stock subscription receivable | -0- |
| Net Cash Provided by Financing Activities | - |
| Net Increase (Decrease) in Cash | - |
| Cash at Beginning of Period | \$ 60,956 |
| Cash at End of Period | \$ 24,813 |
| Non-Cash Investing & Financing Activities | |
| Issuance of stock for management services rendered | \$ - |
| Issuance of stock for Stock subscription receivable | \$ - |

SMART VENTURES, INC.

NOTES TO FINANCIAL STATEMENTS

Unaudited

NOTE 1 – BASIS OF PRESENTATION

The consolidated financial statements of Smart Ventures, Inc. (the Company) for the period ended June 30, 2014 are not audited. The financial statements are prepared in accordance with generally accepted accounting principles in the United States of America.

In the opinion of management, the accompanying financial statements contain all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of the Company's financial position as of June 30, 2014 and the results of its operations and cash flows for the period ended June 30, 2014.

NOTE 2 – NATURE OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

REVENUE RECOGNITION

The Company considers revenue to be recognized at the time the service is performed.

USE OF ESTIMATES

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's short-term financial instruments consist of cash and cash equivalents and accounts payable. The carrying amounts of these financial instruments approximate fair value because of

their short-term maturities. Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash. During the year the Company did not maintain cash deposits at financial institution in excess of the \$250,000 limit covered by the Federal Deposit Insurance Corporation. The Company does not hold or issue financial instruments for trading purposes nor does it hold or issue interest rate or leveraged derivative financial instruments.

EARNINGS PER SHARE

Basic Earnings per Share (“EPS”) is computed by dividing net income available to common stockholders by the weighted average number of common stock shares outstanding during the year. Diluted EPS is computed by dividing net income available to common stockholders by the weighted-average number of common stock shares outstanding during the year plus potential dilutive instruments such as stock options and warrant. The effect of stock options on diluted EPS is determined through the application of the treasury stock method, whereby proceeds received by the Company based on assumed exercises are hypothetically used to repurchase the Company’s common stock at the average market price during the period. Loss per share is unchanged on a diluted basis since the assumed exercise of common stock equivalents would have an anti-dilutive effect.

INCOME TAXES

The Company uses the asset and liability method of accounting for income taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of certain assets and liabilities. Deferred income tax assets and liabilities are computed annually for the difference between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change during the period in deferred tax assets and liabilities.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of the assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the

temporary differences are expected to reverse. The Company had no significant deferred tax items arise during any of the periods presented.

CONCENTRATION OF CREDIT RISK

The Company does not have any concentration of related financial credit risk.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company does not expect the adoption of any recent accounting pronouncements to have a material impact on its financial statements.

NOTE 1– GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has consolidated operating revenues of \$1,248,163 for the YTD period ending June 30, 2014.

Item 1A. Risk Factors

The primary risk associated with our ongoing operations is that we drill deep water oil and gas wells which could lead to catastrophic events triggering significant liabilities. The Company does maintain sufficient insurance coverage as required to mitigate such risk. The Sanday Corporation maintains an excellent safety history regarding its drilling operations and has been an operating company since 2000. We own a subsidiary company engaged in investing in Cannabis related businesses which could subject us to future legal actions depending upon State and Federal Regulatory bodies.

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

This section of the financials 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 prospectus.

These forward-looking states are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or out predictions.

PLAN OF OPERATION

We have an extensive growth plan to emerge as one of the largest oilfield services companies providing high quality engineering services to oil majors. Our goal is to create more jobs as a full service turn- key engineering firm. We have expanded our services into midstream transportation through acquiring a fleet of tractor trucks. We have started generating revenues from this sector already and have generated \$22,000 in the 2 months operations since acquiring the trucks. We expect to see continued growth in this sector as well. We retained the services of Indigo Fitch a consulting firm to assist our fund manager Marcel de Rushe with our \$100,000,000 private placement capital raise for Cannabis Funding Group, LP (the Fund). Cannabis Funding Group, LP is owned 99% by Smart Ventures, Inc. and 1% by the General Partner, Cannabis Funding Group, Inc. a Colorado corporation owned 100% by Smart Ventures, Inc. We established a separate website for the fund, www.cannabisfundinggrouplp.com. The General Partner will receive a 2% management fee and 20% performance fee.

Smart Ventures, Inc acquired its joint venture partner **Bear Dealer Services LLC** as a subsidiary to strengthen its balance sheet and combined credibility for institutional investor funding. Bear Dealer Services LLC is a Waco, Texas based company that provides automotive product warranty sales and a diversified range of automotive products to auto dealerships and its consumers nationwide. The company currently provides these services on-site at major dealerships throughout North America and is continuing its aggressive growth pattern. The company had revenue of more than \$1.7 Million. We expect the financials of both company will be consolidated in our third quarter financials.

Liquidity and Capital

The Company has operating income to sustain its current business operations and expects to grow revenues with additional services being offered to its clients. The Company is also planning a capital raise through private placement offering and or public offering for growth and strategic acquisitions. We are also considering various structures of debt to expand business operations which may include lines of credit, unsecured or senior secured debt, convertible debt, corporate bonds and preferred debt. The Company subsidiary Cannabis Funding Group, Inc. is also seeking a \$100 Million capital raise for investments in Cannabis Related businesses.

Resources Assets and Liabilities

At June 30, 2014 we had assets of \$3,103,103 in furniture, vehicles, computers and equity investments in stocks of other entities. We also had 80 acres of oil and gas mineral lease in Florida. Liabilities totaled \$85,000 advanced from a shareholder loan to the company of which \$70,000 is financing tractor trailer trucks for our transportation services division. We believe our assets and existing revenues are sufficient to maintain continuous operations.

Off-Balance Sheet Arrangements

We are not currently a party to, or otherwise involved with, any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Not applicable.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures and determined that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on 10-Q. The evaluation considered the procedures designed to ensure that the information required to be disclosed by us in reports filed or submitted under the OTC Markets Rules is recorded, processed, summarized and reported within the

time periods specified in the OTC Markets rules and forms and communicated to our management as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

During the period covered by this Quarterly Report on Form 10-Q, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(c) Inherent Limitations of Disclosure Controls and Internal Controls over Financial Reporting

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation or effectiveness to future periods are subject to risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Part II
OTHER INFORMATION

Item 1. Legal Proceedings

None

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

None.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4.

Removed and Reserved.

Item 5.

Other Information

Not applicable.

SIGNATURES

In accordance with the requirements of the OTC Markets, the issuer caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

SMART VENTURES, INC.

Dated July 10, 2014

/s/ Roger AT Smith

Roger AT Smith, President, Director and Chief Executive Officer

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