

Company Registration No. 07253015 (England and Wales)

POSITIVE MONEY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

POSITIVE MONEY LTD

COMPANY INFORMATION

Directors	Gregory Ford	
	Eva Watkinson	
	Freda Owusu-Sekyere	(Appointed 5 December 2017)
	Jack Easton	(Appointed 21 May 2018)
	James Hartzell	(Appointed 21 May 2018)
	Ishaan Chilkoti	(Appointed 21 May 2018)
	Richard Taylor	(Appointed 21 May 2018)
	Lily Tomson	(Appointed 21 May 2018)
	Sian Williams	(Appointed 24 August 2018)
Company number	07253015	
Registered office	303 Davina House 137-149 Goswell Road London EC1V 7ET	
Auditor	Sargent and Co 219 Croydon Road Caterham, Surrey CR3 6PH	

POSITIVE MONEY LTD

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POSITIVE MONEY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be that of being a think tank, pressure group and advocacy organisation.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Andrew Turnbull	(Resigned 3 March 2018)
Gregory Ford	
Harnit Kambo	(Resigned 2 March 2018)
Charlotte Millar	(Resigned 23 August 2018)
Ann-Marie Ainger	(Resigned 2 March 2018)
Eva Watkinson	
Freda Owusu-Sekyere	(Appointed 5 December 2017)
Jack Easton	(Appointed 21 May 2018)
James Hartzell	(Appointed 21 May 2018)
Ishaan Chilkoti	(Appointed 21 May 2018)
Richard Taylor	(Appointed 21 May 2018)
Lily Tomson	(Appointed 21 May 2018)
Sian Williams	(Appointed 24 August 2018)

Auditor

The auditors, Sargent & Co will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POSITIVE MONEY LTD

DIRECTORS' REPORT (CONTINUED)

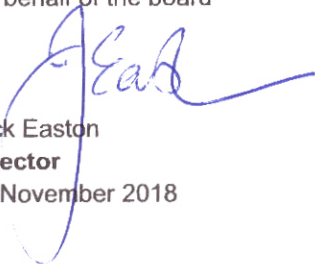
FOR THE YEAR ENDED 31 MARCH 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Jack Easton

Director

29 November 2018

POSITIVE MONEY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POSITIVE MONEY LTD

Opinion

We have audited the financial statements of Positive Money Ltd (the 'company') for the year ended 31 March 2018 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

POSITIVE MONEY LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF POSITIVE MONEY LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

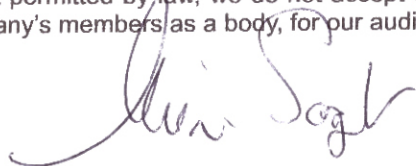
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Sargent (Senior Statutory Auditor)
for and on behalf of Sargent and Co

29 November 2018

Chartered Accountants
Statutory Auditor

219 Croydon Road
Caterham, Surrey
CR3 6PH

POSITIVE MONEY LTD

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Income	2	504,906	554,591
Cost of sales		(769)	(2,894)
Gross surplus		<u>504,137</u>	<u>551,697</u>
Administrative expenses		(490,619)	(300,031)
Other operating income		11,564	2,884
Operating surplus		<u>25,082</u>	<u>254,550</u>
Interest receivable and similar income		373	409
Surplus before taxation		<u>25,455</u>	<u>254,959</u>
Tax on surplus		-	-
Surplus for the financial year		<u><u>25,455</u></u>	<u><u>254,959</u></u>

POSITIVE MONEY LTD

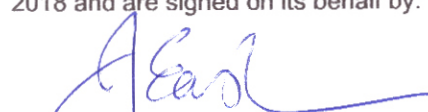
BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Stocks		-		280	
Debtors	4	33,698		1,031	
Cash at bank and in hand		392,388		363,950	
		<u>426,086</u>		<u>365,261</u>	
Creditors: amounts falling due within one year	5	<u>(52,544)</u>		<u>(17,174)</u>	
Net current assets			<u>373,542</u>		<u>348,087</u>
Reserves					
Other reserves	7		278,335		243,889
Income and expenditure account	7		95,207		104,198
Members' funds			<u>373,542</u>		<u>348,087</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 29 November 2018 and are signed on its behalf by:



Jack Easton
Director

Company Registration No. 07253015

POSITIVE MONEY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Positive Money Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 303 Davina House, 137-149 Goswell Road, London, EC1V 7ET.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Income

The majority of Positive Money's income arises from grants and donations, which may be given without reservation or which may have been given to fund or partly fund particular projects or activities that Positive Money undertakes or intends to undertake.

Donations from any source are recognised as income on receipt when the donor places no restriction on the use of the funds, nor imposes any performance obligation on the company.

Where in addition, a donor has placed a restriction on how donated funds should be applied, any such funds that are unspent at the year-end are not available for general use by the company and in recognition of this are transferred from the income and expenditure account to a restricted funds reserves account. These amounts are transferred from the restricted funds reserves account (back) to the income and expenditure account, as a movement within reserves, in the period in which the donated funds are applied to the project or activity specified by the donor.

Where a grant or donation that has been received imposes a specific, future, performance-related condition on the company, such that the company's entitlement to the income is conditional on it carrying out identifiable tasks or activities, income is recognised only to the extent that those tasks or activities have been completed. Accordingly, funds that have been received on such terms before the year-end are included in the balance sheet as deferred income to the extent that the underlying tasks or activities remain to be completed.

Positive Money may also receive fee income in return for providing services, that is, for carrying out commissioned pieces of work within its areas of expertise.

Income from the provision of services is recognised in proportion to the stage of completion of the project or service at the end of the reporting period (sometimes referred to as the percentage of completion method), provided that all of the following conditions are met:

- a) the amount of revenue can be measured reliably;
- b) it is at least probable that the fee will be received ;
- c) the stage of completion of the project or service at the end of the reporting period can be measured reliably; and
- d) the costs incurred for the project or service and the costs to complete the project or service can be measured reliably.

POSITIVE MONEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Income from the provision of project-like services where the above conditions are not met, is recognised only to the extent of costs incurred that the company reasonably expects to recover until such time as the conditions are met, or otherwise the remainder of the income is recognised on the completion of the project. A provision is made for any foreseeable losses on committed or incomplete projects.

Fees receivable for services that are provided continuously are recognised as income evenly over the duration of the contract.

Positive Money also receives, or may receive, small amounts of income from the sale of publications and branded goods, and other activities that are ancillary to the company's aims.

Income from such sales is recognised when the goods or services are provided.

Judgments and estimates applicable to income recognition:

The directors may have to apply judgment in determining whether the terms of a particular donation include a restriction or a performance-related obligation where the express terms of the donation or grant are not definitive.

The directors may have to make estimates relating to the likely costs and percentage completion of contracts for services that are incomplete at the year end.

However, no significant judgments or estimates relating to income recognition were made in preparing these financial statements.

1.3 Expenditure

Expenditure other than on capitalised tangible fixed assets is included in the financial statements as and when it is incurred. Amounts recognised as expenditure include VAT since the company is unable to recover VAT.

1.4 Tangible fixed assets

Tangible fixed assets comprise office furniture and office, IT and communications equipment.

Assets that cost less than £1,000 are treated as expenditure when received. Assets that cost £1,000 or more are initially included in the financial statements at cost (including VAT), and subsequently at cost less amounts written off as depreciation or on the impairment of the asset.

Depreciation is charged on a straight line basis so as to write off the cost of any capitalised asset, less its expected residual value, if any, over its expected useful life.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

POSITIVE MONEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The company has obtained exemption from the Revenue Commissioners in respect of corporation tax, it being a company not carrying on a business for the purposes of making a profit.

POSITIVE MONEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Income

Income recognised in the financial statements (including other operating income, but excluding interest received) may be analysed as follows:

	<u>2018</u>	<u>2017</u>
	£	£
Unrestricted income	94,415	104,762
Restricted grant income	408,860	445,382
Income received with performance-related obligations	-	-
Income received for the provision of services	10,614	500
Miscellaneous sales	<u>2,581</u>	<u>6,831</u>
Total	<u>516,470</u>	<u>557,475</u>

3 Employees

The average monthly number of persons employed by the company during the year was 9 (2017 - 9). No directors of the company were employed. Directors are unpaid volunteers and are not entitled to undertake any services for the company that require remuneration.

4 Debtors

	<u>2018</u>	<u>2017</u>
	£	£
Amounts falling due within one year:		
Other debtors	<u>33,698</u>	<u>1,031</u>

POSITIVE MONEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	7,498	8,274
Other creditors	45,046	8,900
	<u>52,544</u>	<u>17,174</u>

6 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

7 Reserves

The aggregate movements on reserves were as follows

	Income and expenditure £	Restricted funds £	Total £
Balance at the beginning of the year, 1 April 2017	104,198	243,889	348,087
Restricted income from prior period utilised during the year	243,889	(243,889)	-
Surplus/deficit for the year	25,455	-	25,455
Restricted income received in the year but not yet utilised	<u>(278,335)</u>	<u>278,335</u>	<u>-</u>
Balance at the end of the year, 31 March 2018	<u>95,207</u>	<u>278,335</u>	<u>373,542</u>

See note 8 for details of restricted funds

POSITIVE MONEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Reserves

Out of the total reserves of £373,542 (2017 - £348,087), £278,335 (2017 - £243,889) are restricted funds, which relate to grants given for a particular purpose that had not been used by the year end date, and £95,207 (2017 - £104,198) are unrestricted funds for general use of the company.

<u>Income and Expenditure account</u>	<u>B/fwd</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Transfer</u> £	<u>C/fwd</u> £
General Fund	104,198	107,984	(105,012)	(11,963)	95,207
Restricted Funds					
<i>Grants from:</i>					
Joseph Rowntree Charitable Trust	(5,733)	20,887	(22,117)	6,963	-
RH Southern Trust Core	10,241	34,750	(20,525)	-	24,466
RH Southern Trust Research	58,800	58,800	(45,767)	-	71,833
Partners for a New Economy	158,093	175,000	(185,560)	-	147,533
New Economics Foundation	(2,600)	5,100	(2,500)	-	-
Lighthouse Foundation	13,000	2,000	(15,000)	-	-
Friends Provident Charitable Foundation	4,948	46,360	(54,646)	5,000	1,662
Barrow Cadbury Trust	7,140	7,000	(14,263)	-	(123)
KR Foundation	-	12,605	(12,605)	-	-
The Democracy Collaborative	-	21,357	(3,029)	-	18,328
Friends Provident Charitable Foundation	-	25,000	(10,364)	-	14,636
Total Grants	243,889	408,860	(386,376)	11,963	278,335
Totals	348,087	516,843	(491,388)	-	373,542

RHS Southern (Core): £118,900 between October 2015 - December 2018 towards core costs, public awareness raising activities and our general research programme. As at 31 March 2018 the entirety of this grant had been received.

RHS Southern (Research): A further grant of £117,600 between January 2017 - December 2018, towards our general research programme. As at 31 March 2018 the entirety of this grant had been received.

Partners for a New Economy: £360,100 between January 2017 - December 2018 for 'Monetary Financing & Green Quantitative Easing' funding Positive Money's research, supporter network, influencing and international activities. As at 31 March 2018 the entirety of this grant had been received.

Friends Provident Charitable Foundation: £182,480 between March 2015 - April 2018 for 'The potential for money to be created for the common good', funding a range of key roles staff roles. As at 31 March 2018 the entirety of this grant had been received.

Barrow Cadbury Trust: £15,000 between February 2017 and March 2018 for 'Death of Cash: bad for financial inclusion?' A research project on the future of cash. As at 31 March 2018 £14,500 had been received in aggregate, the remaining £500 was due upon publication of our report in May 2018.

Democracy Collaborative: £21,357 between January 2018 - December 2018 to work in collaboration with Democracy Collaborative on the 2 Degree Lending Network, a project seeking to re-direct credit towards climate-safe projects in the real economy by co-coordinating a network of banks and bank influencers. As at 31 March 2018 the entirety of this grant had been received.

Friends Provident Charitable Foundation: A further grant of £250,000 between January 2018 and December 2022 to continue the above work, funding key roles and the dissemination of research and analysis. As at 31 March 2018 £25,000 of this grant had been received in aggregate. the remaining £225,000 will be received at the rate of £25,000 every six months beginning July 2018 with final payment in July 2022.

POSITIVE MONEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018	2017
£	£
22,500	22,500
<u>22,500</u>	<u>22,500</u>