

LIVELY MINDS

REPORT AND ACCOUNTS

for the year ended

31 DECEMBER 2018

REGISTERED CHARITY NUMBER 1125512

**LIVELY MINDS
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**LIVELY MINDS
OFFICERS AND PROFESSIONAL ADVISERS**

Board of Trustees

Alison Hart, Chairman
Charles Egerton
Remus Brett
Brian Scott

Founder & CEO

Alison Naftalin

Charity Address

Lively Minds
PO Box 72928
London
N13 4TL

Independent Examiner

Luke Holt, FCA
Partner
Kingston Smith
Devonshire House
6 Goswell Road
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EC1M 7AD

Bankers

HSBC plc
High Holborn Branch
London

LIVELY MINDS TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

LEGAL STATUS

Lively Minds is an independent charity, registered number 1125512, established under a trust deed adopted on 1 August 2008. Lively Minds was registered as a charity on 14 August 2008.

CHARITABLE OBJECTIVES

The objectives of the charity are:-

- To further all aspects of the education (including social, hygiene and physical training) of children and young persons up to the age of 25 in Sub-Saharan Africa by providing and assisting in the provision of facilities, including, but not limited to, toys and other play resources, and of training.
- To advance in life and relieve needs of young people up to the age of 25 in Sub-Saharan Africa by the provision of (a) recreational and leisure time activities provided in the interests of social welfare and designed to improve their conditions of life; and (b) support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
- To develop the capacity and skills of the members of the socially and economically disadvantaged communities of Sub-Saharan Africa in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

PUBLIC BENEFIT

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit including the guidance 'public guidance: running a charity (PB2),' when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Lively Minds is a partnership between three independent but linked charities. In the UK, Lively Minds is registered with the Charity Commission for England and Wales, and the small team works hard to raise income from a variety of sources and to provide technical assistance on programme development, delivery and monitoring & evaluation. In Ghana, Lively Minds Ghana is registered with the Department of Social Welfare as a Non-Government Organisation, and in Uganda, Lively Minds Uganda is also registered as an NGO. Lively Minds Ghana and Lively Minds Uganda are focussed on implementing the Play Scheme programme. These accounts relate to the financial statements of the Lively Minds (UK), but also include the impact of the programmes delivered by Lively Minds Ghana and Uganda.

The charity has a committed Board of Trustees who meet face-to-face not less than 4 times a year with occasional intervening teleconference meetings as the need arises. The skills,

experience and commitment of its Board of Trustees are regularly reviewed. Where there are gaps, potential new trustees are invited to an informal interview with the Chairman and other trustees and to attend a Board Meeting as an observer before a formal appointment is made.

Trustees have visited the Play Schemes in Uganda and a further visit was undertaken in February 2018 when three trustees met staff and government officials and visited rural communities in Ghana to see the Play Schemes in action.

During 2018 the Trustees decided to change the legal structure of the charity by moving from a charitable trust to a company limited by guarantee. This change will take place towards the end of 2019.

RISK MANAGEMENT

The trustees continually assess the major risks to which the charity is exposed. The principle risks are securing sustainable income and maintaining the quality of operations as the programme scales. Cashflow risk is mitigated by monthly reviews of the funding pipeline for the following twelve months. The programme quality is carefully tracked through real-time monitoring systems, KPIs and evaluations. The charity's risk register is reviewed regularly not less than once every twelve months and annually at the annual general meeting.

PAY POLICY FOR SENIOR STAFF

All staff are paid in accordance with a salary scale which is reviewed each year.

FREE RESERVES

The trustees' policy on income reserves is to maintain sufficient reserves for the charity to continue to meet its ongoing commitments which in the current financial year means reserves of not less than three months' running costs. This currently equates to £78,000. During the financial year ending December 2018, reserves, which are shown as unrestricted funds in the balance sheet, increased from £95,108 to £129,583. This is in line with the reserves policy.

INCOME vs EXPENDITURE

The total income for the financial year was £881,695 (2017: £733,568) and the total expenditure was £594,940 (2017: £306,027). There are several reasons for the variance between the income and expenditure for the year. £419,669 (2017: 372,278) of grant income from Global Innovation Fund has been accounted as 2018 income as the grant conditions were satisfied in 2018. Some of these funds were received in April 2019 and are attributable to 2019 activities. In the final quarter of the year the charity received four grants totalling £325,206, to fund activities for the following twelve months and one grant of £173,492 to be used for the following 6 months. Both of these sums meet the recognition criteria and have been accounted for as income in 2018.

LIVELY MINDS' PLAY SCHEME PROJECT

The charity seeks to achieve its objectives by directing, supporting and facilitating the operation of its Play Scheme programme in Ghana and Uganda.

Lively Minds' purpose

The education and care a child receives in its early years is crucial to its future life and life chances. But it is estimated that globally over 250 million children under five do not get access to adequate care and stimulation, leading to poor health, poor education, lost life opportunities and poverty. One of the biggest barriers is that parents in deprived rural communities lack the information, skills and aspiration to provide their children with simple and affordable opportunities to nurture their physical and educational development. Overcoming this barrier is a pressing need and we at Lively Minds believe we have found a sustainable, scalable and cost-effective way to bring high quality Early Childhood Care & Education to the hardest-to-reach, resource-poor communities who need it most.

Play Scheme Programme

Lively Minds' award-winning programme aims to give uneducated & marginalised Mothers the knowledge, skills and confidence to provide better education and care for their children, using the resources they already have. In each village, 30 "Volunteer Mothers" receive a 2-year *Parenting Course* to provide them with practical ways to improve the health and development of their children, and to improve their own life-skills. Importantly, these Mothers also run *Play Schemes* for all the pre-schoolers in their communities so that the village children have the much-needed chance to learn through play, for free, using home-made and locally sourced games.

In order to ensure scalability and sustainability, the programme is delivered through government service providers, using a training of trainers approach. In Ghana, the Play Schemes take place in state-run Kindergartens, and the training and support of the Mothers is provided by Kindergarten Teachers and Education Service officials. In Uganda, the Programme is delivered at village level by community Health Workers, and supported by local government.

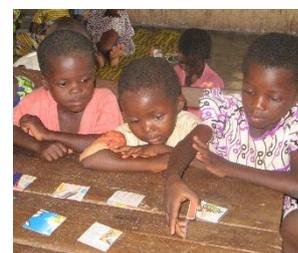
There are 4 key philosophies that underpin our programme and our approach:

Empowerment is key: Our programme utilises an untapped resource as the key change-agent: Mothers. In each community 30 to 50 uneducated and marginalised Mothers are empowered to improve their children's health, education and development using cheap local materials. This means that the materials and people-power are readily available and the Scheme can be delivered and sustained at low cost. But it also has many benefits for the Mothers. They gain knowledge in parenting and health issues. From being marginalised and isolated, they gain in confidence and standing within the community and become part of a peer support group.

Learn through play: One of the most important ways for a child to learn and develop is through play. Play arouses curiosity and stimulates imagination, which leads to discovery and creativity. At the Play Schemes, children are arranged in small groups (1:5 Mother-child ratio). They rotate



This Mother has made a shape-stacker from a bowl



around 6 play stations covering different skill-sets that develop intellectual, language and socio-emotional skills leading to improved school-readiness. Mothers use discovery-based teaching methods, rather than rote learning which is the norm in formal settings.

Cater for the holistic needs of the child: As well as providing learning opportunities, the programme finds creative way to address wider developmental needs. For example, to improve health, Children have to handwash with soap at the start of each play session, sensitising them to this life-saving activity. Mothers are given a parenting workshop every month on basic child-care, health, parenting and lifeskills topics designed to give simple information and practical ways to take action, making use of local materials



Child handwashing using a “tippy-tap”

Solutions must be sustainable: The Play Schemes are run and owned by the community volunteers, using cheap local materials. Our aim is for the whole programme to be integrated into existing Government channels, so it can be scaled and sustained at low cost whilst at the same time strengthening government systems.

REVIEW OF ACTIVITIES AND FUTURE PLANS

It is our sincere belief that this innovation has the potential to offer a huge impact on the early childhood development crisis in the developing world.

In 2018, Lively Minds completed year two of its 3 year “test and transition” strategy for Ghana which will run until December 2019. The purpose of this process is to find the most effective ways to scale the programme by mainstreaming it into government systems. We will open 250 Play Schemes during this period, benefitting 600 Trainers, 9000 Mothers and 30,000 children. The Institute for Fiscal Studies is carrying out a randomised control trial to assess the programme impacts. Early indications are that the results will exceed our expectations. By the end of the test and transition stage, we aim to have an optimised package that we can use to roll-out the programme on a large scale in Ghana, Uganda and other developing countries.

In Uganda we are nearing the end of a two-year pilot to test the feasibility of scaling the programme by delivering through local government and the Village Health Team system. The next stage will be to adopt a “test and transition” phase similar to the one currently underway in Ghana.

Implementation activities

During 2018 we opened 144 new Play Schemes in Ghana and supported 82 existing Schemes. In addition, 17 Play Schemes were converted to a new “peer-run” model. In Uganda we opened 32 new Play Schemes and supported 23 existing Schemes. In total we reached 10,000 Mothers and 37,000 children.

This growth has been possible because we have transformed the way we deliver the programme to improve efficiency and cost effectiveness. We now work in partnership with local government teams to train and support Village Trainers. In Ghana the Trainers are Kindergarten Teachers and in Uganda they are Village Health Workers. These Village Trainers then train and support Mothers in their own villages to run their Play Schemes. We also provide training and coaching support for local government so that they can monitor and support the Village Trainers and the Play Schemes.

We are starting to see many benefits of this new delivery approach. As well as being able to open many more Play Schemes concurrently and cost effectively, we are also seeing huge improvements in the confidence and abilities of the trainers and government teams.

We are making sure that we maintain the quality of the programme as we scale and invest heavily in our monitoring and evaluation systems in particular by digitising these so that we and local government can benefit from real time data. This year, as well as our normal evaluations, the Institute for Fiscal Studies has completed a Randomised Control Trial (RCT) of our Ghana programme. We have received very promising midline results. These found *“Within less than 6 months the Lively Minds Intervention has achieved a significant improvement in children’s cognitive ability and overall school readiness. Despite being relatively low intensity, early signs... suggest that impacts may be comparable in magnitude to substantially more intensive and expensive early childhood stimulation programmes”* [Midline RCT by IFS and IPA surveying 2500 children aged 4-6]. We expect endline results to be available in mid 2019.

Building our support base

Over the course of the year we have increased our efforts to engage the various government departments in Ghana and Uganda with responsibility for ECD. In Ghana we have been invited to participate in a working group organised by UNICEF to improve the quality of kindergartens. In Uganda, we are on a working group organised by the Ministry of Education to develop the ECCE strategy, We have also been asked by the Ministry of Gender in Uganda to support them to implement ECD committees across Mayuge District.

We have also been active in the global ECD space and have been seeking to share learnings and best practice. Our CEO presented at Brookings Symposium on Leap-frogging in Education; the World Literacy Summit and the inaugural Africa Early Childhood Network symposium. In addition, an ECD team from the World Bank and government of Madagascar sent an exchange visit to Uganda to learn about our work.

Organisational development

During the year we have been seeking to strengthen our organisation to ensure we are scale-ready. We held three senior management meetings during the year to set scale strategies, develop execution rhythms and performance management systems. We were also given portfolio assistance from Global Innovation Fund to work with Spring Impact (an organisation with expertise in scaling) to seek advice on scaling strategies. We also maintained our award with Gratitude Network, who gave our CEO mentoring/coaching and leadership training.

In July, in order to support our growth we appointed Alison Curry, our first Marketing Communications Manager. Our senior management team now consists of our CEO, Country Directors in Ghana and Uganda, Head of Monitoring & Evaluation, Curriculum Coordinator and Marketing Communications Manager. We have also recruited a part-time Financial Controller. During the year, we also participated in a secondment scheme run by Charity Next which placed a fast streamer from government and a digital specialist with us for 6 months. We have also brought in several new field workers in Ghana and Uganda.

FINANCIAL OVERVIEW

Lively Minds' annual income for 2018 was £881,695. In addition to this UK income, we also received £24,813 from UNICEF Ghana directly into our Ghana accounts and £70,784 directly into our Uganda account from Grand Challenges Canada. This income has allowed the charity to cover its current commitments and will enable us to undertake new projects in 2019.

Our main donors for our Ghana programme are Global Innovation Fund, Omidyar Network, ELMA Philanthropies and UNICEF Ghana. Our Uganda programme is supported by Grand Challenges Canada, Waterloo Foundation and Headley Trust. At the end of 2018 we were delighted to receive additional grants from Echidna Giving and Dioraphte to support our work in Uganda.

In addition, we were selected by the Gratitude Network to be one of their awardees. Throughout the year they have given coaching support to our CEO as well as offering a three-day leadership skills course.

GRANTS RECEIVED IN YEAR

Lively Minds are grateful for the support during the year of the following:-

- Ashoka
- AKO Foundation
- Allen & Nesta Ferguson Foundation
- BFSS
- Dioraphte
- Echidna Giving
- ELMA Philanthropies
- Global Innovation Fund
- Grand Challenges Canada
- Gratitude Network
- Headley Trust
- Marr munning

ORGANISATION OF CHARITY

The charity is managed by a Board of Trustees appointed on a three-year basis. The trustees during the year and currently are as noted on Page 3. All of our trustees give their time on a voluntary basis and are passionate advocates of the charity's work. Some of them have been involved in staff coaching and management training and in early 2018 several trustees visited our Play Schemes in Ghana to meet staff and government officials and see our work in operation for themselves.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Law applicable to charities in England and Wales requires the Charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its income and expenditure for that period. In preparing the financial statements, the Charity is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statement on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation for the foreseeable future; and
- Observe the methods and principles in the Charities SORP (FRS 102).

On behalf of the Trustees

Alison Hart 

Chairman

Dated: 25th April 2019

**INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF LIVELY MINDS
FOR THE YEAR ENDED 31 DECEMBER 2018**

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2018.

Responsibilities and basis of report

As the charity trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Devonshire House
60 Goswell Road
London EC1M 7AD
Date:

Luke Holt FCA
Independent Examiner
For and on behalf of Kingston Smith LLP

Date: 30 April 2019

LIVELY MINDS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income					
Grants, donations and legacies	2	36,445	844,525	880,970	729,661
Investment income		317	-	317	136
Income from other activities		408	-	408	3,771
Total income		<u>37,170</u>	<u>844,525</u>	<u>881,695</u>	<u>733,568</u>
Expenditure					
Raising funds		2,695	2,205	4,900	5,419
Charitable activities	5	-	590,040	590,040	300,608
Total expenditure		<u>2,695</u>	<u>592,245</u>	<u>594,940</u>	<u>306,027</u>
Net income/(expenditure)		34,475	252,280	286,755	427,541
Net movement in funds		<u>34,475</u>	<u>252,280</u>	<u>286,755</u>	<u>427,541</u>
Transfers between funds		-	-	-	-
Reconciliation of funds					
Total funds at 1 January 2018		95,108	406,165	501,273	73,732
Total funds at 31 December 2018	14	<u><u>129,583</u></u>	<u><u>658,445</u></u>	<u><u>788,028</u></u>	<u><u>501,273</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The accompanying accounting policies and notes form an integral part of these financial statements.

**LIVELY MINDS
BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	4,684	419
Current assets			
Debtors	11	207,348	164,237
Cash at bank and in hand		600,353	344,705
Total assets		<u>812,385</u>	<u>509,361</u>
Current Liabilities: Amounts falling due within one year	12	(24,357)	(8,088)
Net assets		<u>788,028</u>	<u>501,273</u>
Accumulated Funds			
Restricted Funds	13	658,445	406,165
Unrestricted Funds		129,583	95,108
Total Funds		<u>788,028</u>	<u>501,273</u>

Approved on behalf of the Board of Trustees on 24th April 2019 and signed on their behalf by:



Name: ALISON HART

Position: CHAIR, BOARD OF TRUSTEES

The accompanying accounting policies and notes form an integral part of these financial statements.

LIVELY MINDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December 2018		Year ended 31 December 2017	
	£	£	£	£
Cash flow from operating activities:				
Net income		286,755		427,541
Adjustments for:				
Depreciation		786		31
Interest received		(317)		(136)
Decrease/(Increase) in debtors		(43,111)		(158,470)
(Decrease)/Increase in creditors		16,269		(205,539)
		<u>260,382</u>		<u>63,427</u>
Cash flow from investing activities:				
Payments to acquire tangible fixed assets		(5,051)		(450)
Interest received		317		136
		<u>(4,734)</u>		<u>(314)</u>
Net cash provide by investing activities		(4,734)		(314)
Change in cash and cash equivalents		<u>255,648</u>		<u>63,113</u>
Cash and cash equivalents at the beginning of the year		344,705		281,592
Cash and cash equivalents at the end of the year		<u>600,353</u>		<u>344,705</u>
Analysis of cash and cash equivalents				
Cash in bank and in hand		600,353		344,705
		<u>600,353</u>		<u>344,705</u>

**LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Lively Minds meets the definition of a public benefit entity under FRS 102.

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

1.2 Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants received for a specific purpose are accounted for in restricted funds. Where income is received in advance, recognition is deferred and included in creditors.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of donation.

1.4 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Support staff costs are allocated on the basis of time spent.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value over its expected useful life, as follows:

IT equipment	3 years straight line
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1.6 Financial Instruments

The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transactions value and are subsequently measured at their settlement value.

**LIVELY MINDS
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.8 Funds

Restricted funds: Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.

Unrestricted funds: Unrestricted funds are donations and other income received or generated for charitable purposes.

1.9 Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Income and endowments

	Donations & grants	Investment income	Play Schemes - Ghana	Play Schemes - Uganda	Other income	Total 2018	Total 2017
	£	£	£	£	£	£	£
Donations and grants (see note 4)	36,445	-	-	-	-	36,445	56,432
Grants for specific activities (see note 3)	-	-	527,320	317,205	-	844,525	673,229
Bank interest from deposit account	-	317	-	-	-	317	136
Income from fundraising events	-	-	-	-	408	408	3,771
	36,445	317	527,320	317,205	408	881,695	733,568

3. Grants for specific activities

	Play Schemes - Ghana	Play Schemes - Uganda	Total 2018	Total 2017
	£	£	£	£
AKO Foundation	-	33,333	33,333	-
Marr Munning	-	20,000	20,000	-
Echidna Giving	-	114,922	114,922	-
Dioraphte Foundation	-	78,950	78,950	-
Headley Trust	-	30,000	30,000	30,000
British Foreign Schools Society	9,651	-	9,651	17,665
Omidyar Network	-	-	-	138,286
Waterloo Foundation	-	40,000	40,000	40,000
Marple Trust	-	-	-	10,000
Elma Philanthropies	98,000	-	98,000	50,000
Allen & Nesta Ferguson Charitable Trust	-	-	-	15,000
Global Innovation Fund	419,669	-	419,669	372,278
Total	527,320	317,205	844,525	673,229

LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. Donations and grants	2018	2017
	£	£
Anonymous	20,000	20,000
Anonymous	500	500
Newton Trust	400	-
Tom's Tots	250	-
AKO Foundation	-	25,000
Charities Trust	-	83
Various smaller donations	12,796	8,347
Gift aid reclaimed	2,499	2,502
	<u>36,445</u>	<u>56,432</u>

Included in donations were £7,700 (2017: £3,625) received from two trustees (2017: 3 trustees) of the charity.

5. Analysis of Expenditure

	Staff costs	Project costs	Support costs	Total 2018	Total 2017
	(Note 9)		(Note 6)		
	£	£	£	£	£
Cost of raising funds	4,664	-	236	4,900	5,419
Charitable activities					
Play Schemes - Ghana	135,897	281,245	16,676	433,818	191,978
Play Schemes - Uganda	71,447	76,347	4,528	152,322	104,730
	<u>207,344</u>	<u>357,592</u>	<u>21,204</u>	<u>586,140</u>	<u>296,708</u>
Governance costs	-	-	3,900	3,900	3,900
Total expenditure	<u><u>212,008</u></u>	<u><u>357,592</u></u>	<u><u>25,340</u></u>	<u><u>594,940</u></u>	<u><u>306,027</u></u>

Included within the above are £592,245 attributable to restricted projects (2017: £266,269).

**LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Support costs

Support costs include the following:

	2018 £	2017 £
Rent and rates	-	3,250
Insurance	4,441	2,740
Bank charges	264	382
Professional fees	9,502	2,188
Printing and photocopying	-	-
Stationery and postage	369	438
Telephone and internet	1,573	412
Marketing	669	
Website	554	-
Recruitment & training	1,838	6,461
Equipment costs	-	1,258
Fundraising materials	-	3,437
Depreciation charge	786	30
Other expenses	940	299
Travel costs	268	2,527
Governance costs (Note 7)	3,900	3,900
	<u>25,104</u>	<u>27,322</u>

7. Analysis of governance costs

	2018 £	2017 £
External examination fee	3,900	3,900
	<u>3,900</u>	<u>3,900</u>

Governance costs include expenses associated with the Trustees board meetings, AGM and external examination fees. None of the trustees (or any persons connected with them) received any remuneration during the year.

8. Net movements in funds

	2018 £	2017 £
This is stated after charging: Independent examiner's remuneration (gross of VAT)	<u>3,900</u>	<u>3,900</u>

9. Staff costs

	2018 £	2017 £
Wages and salaries	146,295	121,464
Social security costs	12,744	10,415
Pension costs	2,738	1,477
Freelance costs	50,231	28,004
	<u>212,008</u>	<u>161,360</u>

The average number of employees for the year was 4 (2017: 3).

**LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Staff costs (continued)

No employee earned £60,000 per annum or more in the current or preceding financial year.

No member of the Board of Trustees or person with a family or business connection with a Board member received remuneration in the year.

Key management personnel consists of the Trustees and the CEO. The total employee benefits of the key management personnel of the charity were £63,566 (2017: £59,753). Employee benefits include salaries and wages, employer social security costs, employer's pension contributions and other benefits.

10. Tangible Fixed Assets

	2018 IT Equipment £
Cost	
At 1 January 2018	450
Additions	<u>5,051</u>
At 31 December 2018	<u>5,501</u>
Depreciation	
At 1 January 2018	31
Charge for the year	<u>786</u>
At 31 December 2018	<u>817</u>
Net book value	
At 31 December 2018	<u><u>4,684</u></u>
At 1 January 2018	<u><u>419</u></u>

11. Debtors

	2018 £	2017 £
Accrued income	206,177	163,492
Other debtors	1,171	745
	<u>207,348</u>	<u>164,237</u>

Included with debtors are £207,348 (2017: £206,921) of financial assets.

12. Creditors

	2018 £	2017 £
Accruals	20,158	3,900
Other creditors	-	371
Social security	4,199	3,817
	<u>24,357</u>	<u>8,088</u>

Included within creditors are £17,791 (2017: £4,271) of financial liabilities.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Creditors (continued)

	2018	2017
	£	£
Deferred income - grants		
Balance at 1 January	-	104,393
Grants received in the year	-	-
Released to Statement of Financial Activities	-	(104,393)
Balance at 31 December	<u>-</u>	<u>-</u>

13. Restricted funds

	Balance	Movement in funds		Transfers	Balance
	01-Jan-18	Income	Expenditure	£	31-Dec-18
	£	£	£	£	£
Waterloo Foundation	3,333	40,000	(40,000)	-	3,333
Marple Trust	10,000	-	(10,000)	-	-
Headley Trust	2,500	30,000	(30,000)	-	2,500
Elma Philanthropies	50,000	98,000	(50,000)	-	98,000
Marr Munning	-	20,000	(16,667)	-	3,333
AKO Foundation	-	33,333	(5,681)	-	27,652
Echidna Giving	-	114,922	(9,702)	-	105,220
Dioraphte	-	78,950	(6,704)	-	72,246
Allan & Nesta					
Ferguson Charitable					
Trust	13,750	-	(13,750)	-	-
Omidyar Network	138,286	-	(90,270)	-	48,016
Global Innovation Fund	179,456	419,669	(302,966)	-	296,159
British & Foreign					
Schools Society	1,970	9,651	(9,635)	-	1,986
Ashoka	6,870	-	(6,870)	-	-
	<u>406,165</u>	<u>844,525</u>	<u>(592,245)</u>	<u>-</u>	<u>658,445</u>

	Balance	Movement in funds		Transfers	Balance
	01-Jan-17	Income	Expenditure	£	31-Dec-17
	£	£	£	£	£
Waterloo Foundation	-	40,000	36,667	-	3,333
Marple Trust	-	10,000	-	-	10,000
Headley Trust	-	30,000	27,500	-	2,500
Elma Philanthropies	-	50,000	-	-	50,000
Allan & Nesta					
Ferguson Charitable					
Trust	-	15,000	1,250	-	13,750
Omidyar Network	-	138,286	-	-	138,286
Global Innovation Fund	-	372,278	192,822	-	179,456
British & Foreign					
Schools Society	-	17,665	8,030	(7,665)	1,970
Ashoka	6,870	-	-	-	6,870
	<u>6,870</u>	<u>673,229</u>	<u>266,269</u>	<u>(7,665)</u>	<u>406,165</u>

**LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Restricted funds (continued)

Purpose of restricted funds

Marple Trust

A one-off grant was provided to contribute towards the Ghana programme costs.

Omidyar Network

The final instalment from Omidyar Network was paid in August to support Lively Minds expansion project in Ghana over 18 months.

Headley Trust

The first instalment of a two year grant towards the Uganda Play Scheme programme was provided.

Elma Philanthropies

The first instalment of a three-year grant towards the scale-up of the programme in Ghana was provided.

Global Innovation Fund

A three year grant was signed in 2017 to fund Lively Minds to test and transition the programme to scale in Ghana.

Allen & Nesta Ferguson Foundation

Provided a one-year grant to support activities in Uganda.

The Waterloo Foundation

The first instalment of a two year grant towards the Uganda Play Scheme programme was provided.

Marr Munning

Agreed a 2-year grant to support the set-up of new Play Schemes in Uganda

AKO Foundation

AKO Foundation provided an unrestricted grant in 2017. This year, they agreed a 3-year grant towards the Play Scheme project in Uganda.

Echinda

Echidna Giving agreed to award a 3-year grant towards the Uganda programme. The first annual instalment was made in November 2018.

Dioraphte

A one-year grant towards Uganda programme was provided in October 2018.

British & Foreign Schools Society

BFSS provided the final instalment of a 2-year grant towards the Play Scheme programme in Ghana.

14. Analysis of net assets between funds

	General unrestricted	Restricted	2018 Total funds
	£	£	£
Tangible fixed assets	4,684	-	4,684
Net current assets	124,899	658,445	783,344
Net assets at the end of the year	<u>129,583</u>	<u>658,445</u>	<u>788,028</u>

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14. Analysis of net assets between funds (continued)

	General unrestricted £	Restricted £	2017 Total funds £
Tangible fixed assets	419	-	419
Net current assets	94,689	406,165	500,854
Net assets at the end of the year	<u>95,108</u>	<u>406,165</u>	<u>501,273</u>

15. Operating lease commitments

Lively Minds has no commitments under operating leases.

16. Taxation

The charity is exempt from tax as all of its income is charitable and is applied for charitable purposes.

16. Prior year Statement of Financial Activities

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income				
Grants, donations and legacies	2	56,432	673,229	729,661
Investment income		136	-	136
Income from other activities		3,771	-	3,771
Total income		<u>60,339</u>	<u>673,229</u>	<u>733,568</u>
Expenditure				
Raising funds		5,419	-	5,419
Charitable activities	5	34,339	266,269	300,608
Total expenditure		<u>39,758</u>	<u>266,269</u>	<u>306,027</u>
Net income/(expenditure)		20,581	406,960	427,541
Net movement in funds		20,581	406,960	427,541
Transfers between funds		7,665	(7,665)	-
Reconciliation of funds				
Total funds at 1 January 2017		66,862	6,870	73,732
Total funds at 31 December 2017	14	<u>95,108</u>	<u>406,165</u>	<u>501,273</u>