



empowering communities through play

Trustees Report and Accounts

for the year ended 31 December 2019

Registered charity number 1125512



Lively Minds Trustees Report and Accounts

for the year ended 31 December 2019

| Contents | Pages |
|-----------------------------------|--------------|
| Officers & Professional Advisers | 3 |
| Note from Our Chair | 4 |
| Trustees' Report | 5 - 15 |
| Independent Examiner's Report | 16 |
| Statement of Financial Activities | 17 |
| Balance Sheet | 18 |
| Statement of Cash Flows | 19 |
| Notes to the Accounts | 20 - 27 |

Officers and Professional Advisers

Board of Trustees

Alison Hart | Chairman
Charles Egerton
Remus Brett
Brian Scott
Maame-Yaa Bempah (appointed September 2019)

Honorary Board Member

Gordon Carver (appointed January 2019)

Founder and CEO

Alison Naftalin

Registered Charity Number

1125512

Address

Lively Minds
PO Box 72928
London
N13 4TL

Independent Examiner

Luke Holt
Partner
Moore Kingston Smith
Devonshire House
6 Goswell Road
London EC1M 7AD

Bankers

HSBC plc
High Holborn Branch
London

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.

A Note from our Chair

2019 has been an amazing year for Lively Minds. It marked the end of our 3-year test and transition period in Ghana and the first year of our scale testing phase in Uganda. It was a year in which we continued to open up Play Schemes in new districts and sub-counties, worked and re-worked our scale up plans and developed close and lasting relationships with government culminating in firm commitments from them to involve us in policy development in both countries and in Ghana to extend our programme to 4000 new kindergarten schools. It was a year in which we trained and developed our teams to be scale ready and secured funding for the next phase of our expansion. The endline results of the randomised control trial conducted by the Institute for Fiscal Studies in Ghana far exceeded our expectations. We always knew we had a programme that delivers results and we now know it can deliver at scale.

I am hugely grateful to our funders for their continued support and encouragement and to everyone who has helped us on this journey. Most of all I am grateful to our CEO Alison Naftalin, whose leadership, dogged determination and innovative thinking has enabled us to achieve the goals we set ourselves. On behalf of the Board of Trustees, I also want to thank our teams; the small team in the UK and the larger local teams in Ghana and Uganda. They have been superb.

As I write this, we are in the midst of the Covid-19 pandemic. The lockdown measures introduced by the governments of Ghana and Uganda have inevitably affected our ability to work in the field. Our teams have reacted magnificently, moving swiftly to safe home working and in the course of just a few weeks, developed an innovative radio programme which will allow us to continue to deliver our programme, albeit in a modified form, to the mothers and children who so desperately need them.

I am immensely proud of the team's fast response to a crisis none of us could have predicted. During lockdown, we have continued to engage with government in both countries. The need for quality ECCE is higher than ever, particularly as governments struggle to find effective ways to deliver distance early years support to remote communities. We are equipped and ready to help. Our radio programme has been welcomed as a truly innovative solution. It is what Lively Minds is all about.

Alison Hart

June 2020

Our Mission

Lively Minds works to get pre-school children in rural Ghana and Uganda school-ready.

Working through government we build the skills and confidence of marginalised mothers to run educational Play Schemes & provide nurturing care at home. This improves the life-chances and quality of life for children, parents and wider communities.

We do not provide aid. We believe that people can only break the cycle of poverty if they are given the information, skills, and confidence to make changes themselves. The solutions don't need to be complicated or expensive. Our innovative, cost effective and scalable programme has been proven through a randomised control trial ("RCT") to improve school readiness, bringing high quality Early Childhood Care and Education (ECCE) to the hardest-to-reach, resource-poor communities who need it most.

Why We Exist

The period between birth and 6 years old is a critical time for child development. Research shows that children who do not receive quality care and education in their early years are less likely to succeed in school giving them lower earning potential, and a greater risk of poor health, poverty, early marriage and parenthood. Over 250m children under 5 do not receive the care they need, with far reaching consequences for the child, for national & for global development.

There are two critical barriers:

- Policy efforts are focussed on Early Childhood Development (ECD) centres and formal "schooling": but this does not always result in improved learning. ECD Centres are often not accessible or affordable to many, and kindergarten quality is generally low because of lack of teacher training and learning materials, large class sizes and rote based teaching.
- Poor parenting practices caused by lack of confidence, lack of aspiration and lack of information. A recent Save the Children/UNICEF study in Malawi estimates that primary children spend 76% of their time at home, therefore the impact of poor parenting is high.

These conclusions are supported by the baseline results of our RCT in Ghana (before our programmes were implemented)





Our Innovative Solution

Our theory of change is that the critical barrier to ECCE in rural communities and the best lever for change is parents. Our 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.

Our solution is simple. We train 30-40 marginalised mothers per community to run free **Play Schemes** for all their communities' pre-schoolers, giving children a vital opportunity to learn through play.

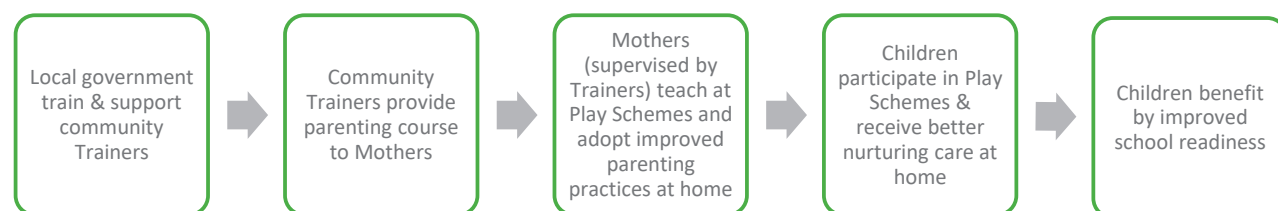
The parents are also given monthly **Parenting Workshops**, where they learn simple cost-free ways to provide better care for their children at home, using locally-available resources. This approach is not only sustainable and affordable, but our **behaviour-change** approach has the added benefit of empowering the parents.

“Before we joined the Play Scheme we were a bit lonely and mostly in our homes. We didn’t interact much with other people. But now we have joined the Play Scheme this has changed. We interact more with others and we feel free to say things.”

(Mother, Jegbo Play Scheme, Ghana)

Our Sustainable Delivery Model

Our implementation model is designed for scale and sustainability. This is how the programme is delivered through local government using a carefully structured train the trainers approach. In Ghana, it is implemented through the state kindergarten system and so has a secondary benefit of improving the quality of kindergarten teaching. In Uganda it is delivered through Village Health Teams and supports this outreach system.



2019 Highlights – Proven Outcomes and Pathways to Scale

Rapid Expansion in Ghana and Uganda

During the year we have been able to bring many new communities in to the programme.



115 new Play
Schemes

which now reach:



379
communities



14,800
Mothers



62,800
children per
year

Optimisation

In Ghana we have completed our 3 year “test and transition” strategy in which we tested and refined the most effective ways to scale the programme by mainstreaming it into government systems.

Impact Evaluation Results

“The evaluation provides novel evidence that “hybrid” programmes that simultaneously target the home and preschool environments through parents can be effective at improving child development, as well as knowledge and practices of parents.”

The results of a rigorous RCT of the programme conducted by the Institute of Fiscal studies were released in spring 2019. The study followed 2,400 mothers and children in Ghana over the course of a year. The results show significant positive impacts on children’s school readiness – cognitive and socio-emotional development, health, as well as on parenting knowledge and practise.



The Hon. Minister of Education of Ghana

Government Partnership to Scale

“I believe this programme has the potential to transform ECCE in Ghana, and also globally”

In May 2019, the Minister of Education of Ghana publicly announced a partnership with Lively Minds, which will see the Lively Minds programme become an official government initiative, and scale over the next 5 years to reach

1.15 million children

in 4,000 communities

In 60 districts

across the northern half of Ghana.

In August we signed an MOU with the Government of Ghana which formalised that announcement.

As we prepare our programme for scale, we are also preparing our organisation for scale, advancing our current systems and processes, leveraging technology where possible, and expanding our global and local teams.

Review of Activities and Future Plans

What we have achieved

During 2019 we opened 61 new Play Schemes in Ghana and supported 214 existing Schemes. In total, the programme in Ghana is reaching 7 districts and is benefiting approximately 607 teachers, 11,000 mothers, and 49,800 children per year.

In Uganda we opened 54 new Play Schemes in two sub-counties and supported 55 existing Play Schemes. In total, the programme in Uganda is reaching 4 sub-counties, benefitting 272 VHTs, 3,800 mothers and 13,000 children. We have also been able to sign MoUs with 2 additional Sub-Counties and trained the 25 Sub-County team members in preparation for roll-out in January 2020. We have gained the commitment of the remaining planned Sub-Counties in Mayuge District, positioning ourselves for efficient implementation to meet our ambitious roll-out plans for 2020 in 6 additional Sub-Counties.

Impact and Benefits

“At the beginning, the children didn’t know anything, especially in the local language. They didn’t know the colours.... But now they understand most of the terms easily, and they even know it more than us...Those in the past did not learn enough. Those we are currently teaching are smart and far different. They are able to think faster than those who have not had the chance to play in the Play Scheme.”

(Dorcas, PS Mother, Bongo District, UER, Ghana)



(Dorcas, Gowrie Tingre community, Upper East Region).

Parents are seeing a positive change and recognising the holistic benefits of the programme to children. These benefits are the results of improved capacity and mindset changes of parents in their roles providing quality care and education to their children.

Mothers are also seeing the benefits to themselves. In addition to learning new skills, mothers are gaining confidence. *“Before the LM program, I could shy away myself not speaking to people. I now stopped fearing people and I can speak to hundreds of them.”* (Mother, Nalwesambula A FGD, UG).

They also feel less isolated. *“Initially we did not have friends and everyone was on their own. However, we are one as LM. As women we have friendship amongst us and those outside the play scheme and our children.”* (Bugodi A FGD, UG).

The programme in Ghana is closing the gap between schools and parents, ensuring that learning continues at home. *“Some of us were scared to talk to the teachers. Now we are very close... because of that we have the opportunity to ask questions concerning our children. And even mothers that are not part of the Play Scheme, because we are interacting with them, they are comfortable to contact the teachers”* (Dorcas).

Parents recognise the critical role they play in their child's development. *“I thought it was the work of school teachers alone to teach children and not parents. I have come to learn that we mothers are the primary teachers of our children”* (Mother, Bugodi A, Uganda)



“They hand wash by themselves after toilet. They also hand wash as they go to the PS.”

(Mother, Nalwesambula A, Uganda)

“If you cut a wet root, and you don't straighten it whilst it is still wet, when it dries you can't straighten it. Children are like this when they are young. It is this time that you must take care of them. I will do whatever I can whilst they are growing up, so they will have a brighter future. That is my responsibility”

(Dorcas, Play Scheme Mother, Upper East Region, Ghana).

Test and Transition to Scale

We have been able to reach increasing numbers of children and expand the impact of the programme due to the refinement of our package of support to local government partners to run and sustain the programme. This two-year package of support includes capacity building workshops, individualised coaching and mentorship, and project management tools.

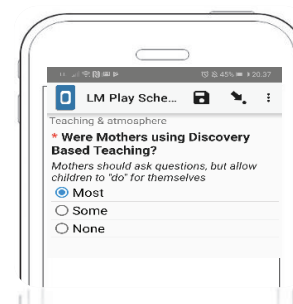
LM Play Scheme - Ghana

Tatale All Circuits All Schools

Home School Visits Quality KPIs Monitoring Reports

Last Term Jan 13, 2020 - Mar 27, 2020

| District | Circuit | School | Total (Inc. AOG) | Total (Exc. AOG) | Successful | >= 6 Mothers Att. | >= 2 Teachers Att. |
|----------|----------------|---------------|------------------|------------------|------------|-------------------|--------------------|
| Tatale | Kandiri Sheini | Bediboabe D/A | 2 | 2 | 2 (100%) | 2 (100%) | 2 (100%) |
| Tatale | Kandiri Sheini | Bulpkali | 2 | 2 | 2 (100%) | 2 (100%) | 2 (100%) |
| Tatale | Kandiri Sheini | Campuni | 2 | 2 | 2 (100%) | 2 (100%) | 1 (50%) |
| Tatale | Kandiri Sheini | Kunkunjonli | 2 | 1 | 1 (100%) | 1 (100%) | 0 (0%) |
| Tatale | Kandiri Sheini | Laakpali R/C | 0 | 0 | 0 (0%) | 0 (0%) | 0 (0%) |
| Tatale | Kandiri Sheini | Nakando | 2 | 2 | 2 (100%) | 2 (100%) | 1 (50%) |
| Tatale | Kandiri Sheini | Ntonido | 1 | 1 | 1 (100%) | 1 (100%) | 1 (100%) |
| Tatale | Kandiri Sheini | Sheini R/C | 2 | 2 | 2 (100%) | 2 (100%) | 2 (100%) |
| Tatale | Kandiri Sheini | Takoroyili | 2 | 2 | 2 (100%) | 2 (100%) | 1 (50%) |
| Tatale | Kpalbutaaba | Jamboni | 2 | 2 | 2 (100%) | 2 (100%) | 2 (100%) |
| Tatale | Kpalbutaaba | Kohiyili | 2 | 2 | 2 (100%) | 2 (100%) | 2 (100%) |
| Tatale | Kpalbutaaba | Kpalbutaaba | 2 | 2 | 2 (100%) | 2 (100%) | 2 (100%) |
| Tatale | Kpalbutaaba | Nahuyili | 2 | 2 | 2 (100%) | 2 (100%) | 2 (100%) |
| Tatale | Kpalbutaaba | Nkpangini | 2 | 2 | 2 (100%) | 2 (100%) | 2 (100%) |



Mobile app links to real-time dashboard

We have increased our use of technology in order to optimise this package. We have built a live, mobile dashboard which launched early in the year. Through this dashboard, Lively Minds and local government officials have access to live data on their phones, which supports them to identify where challenge areas exist and put actions into place to resolve them. The dashboard is critical to maintaining quality as we scale, and we are continuing to refine and built it.

Ghana Education Service (GES) district officials see the benefit of the support package, not just to enable them to run and sustain the programme to a high quality standard, but to their wider GES mandate.

“I have been able to coordinate my colleague teachers, bring them together, we continue to train, organise capacity building workshop for the teachers as well as the officers. It has improved our capacity building efforts... we learn from one another, it is helping District Education officers”

(Mr. Abdulai, Tatale District LMC).

The package also supports district officials in their wider career aspirations. *“This programme has made me confident in whatever I am doing. You can speak in public. You can speak with your voice and you have confidence in what you are talking about”* (Mr. Abubakari, North Gonja District LMC).

An important indicator of whether or not our support package is successful is that local government remain engaged and perform their agreed roles. In both Uganda and Ghana we have again seen excellent rates of compliance by local government, **89%** and **85%** overall respectively. We are very pleased with these results and can see a direct correlation between compliance and high rates of success in Play Schemes.

In 2020, we will continue to optimise the package of support and share learnings across Ghana and Uganda in preparation for scale-up of the programme.

Moving Towards Scale

Ghana

This year, the IFS and Innovations for Poverty Action (IPA) released the endline results of the rigorous RCT of our programme in Ghana. The study demonstrates that the Lively Minds programme is a scalable and cost-effective way to improve children's cognitive and socio-emotional development and health.

The study was particularly groundbreaking as it suggests, *"The success of the program also demonstrates that it is possible to achieve meaningful improvements in child outcomes through relatively low-intensity, low-cost programs implemented using existing government system."*

We released the results in May, at an event attended by global, regional and national ECCE experts and stakeholders.

The Minister of Education of Ghana opened the event, and pledged to scale the programme to 4000 rural communities in the rural northern areas of Ghana.

We successfully secured active support for scale-up from three of the most influential education policy-makers in Ghana: the Minister for Education, the Deputy Minister for Education and the GES Council Chair.

Key Findings*

At the end of the one-year study:

- » The Lively Minds program increased children's cognition, with significant improvements in emergent-numeracy, executive function, and fine motor skills.
- » The effect of the program on the cognitive skills of children from the poorest 20 percent of households was twice as high as that of children from better-off households. There was also a significant improvement in the literacy skills of the disadvantaged children that was not observed for the rest.
- » Children's socio-emotional development improved, with the program leading to a reduction in externalizing behavior, including both conduct problems and hyperactive behaviors.
- » Notably, the program led to a reduction in acute malnutrition among the participating children and an increase in average mid-upper arm circumference, an indicator of malnutrition.
- » The program also increased mothers' parenting knowledge, increased the amount of time they spent on developmentally appropriate activities, and changed their teaching style (i.e. the way they interact with their children in the context of teaching a new task).
- » Overall, the findings suggest that the Lively Minds approach is an effective and potentially scalable way to improve children's cognitive and socio-emotional development, health, and school readiness.

In August we signed an MOU with the Ministry of Education in which the government committed to scaling our programmes and ensuring the sustainability and integration of our programme at community , district and national level. We are grateful to Dr Sam Awuku for help in securing government support.

The next key milestone is in progress; establishing a Lively Minds Programme Working Group to ensure the successful planning, integration, and delivery of the programme. The Working Group will be inaugurated in January 2020.

Uganda

As part of the National Integrated Early Childhood Development (IECD) Policy, introduced by the Ministry of Gender, Labour, and Development, Lively Minds has been given a critical role coordinating Sub-Counties (SC) across Mayuge District to ensure IECD is integrated holistically throughout all Sub-County activities.

We attended quarterly meetings with SC IECD committees, in collaboration with District representatives and the District IECD Focal Point Person. The meetings focused on developing action plans to ensure ECD is integrated within ongoing District and Sub-County activities. We were also able to provide capacity-building on ECD principles and financial management. The participating Sub-Counties have been successful in meeting their objectives and there has been a marked increase in the coordination and successful implementation of ECD activities across the District. The Sub-County teams have expressed an appreciation to us for these opportunities and are looking forward to strengthening the coordination of their ECD responses in future.

Building our Support Base

As you can see, over the course of the year we have increased our efforts to engage at national government level in Ghana and Uganda, and to be part of key systems and policy change.

In Ghana we are part of a technical working group drafting a new Early Children Education policy through Ghana Education Service and have made significant progress in ensuring the role of parents and community is highlighted in the policy. We are also part of the technical working group evaluating the current ECCD policy under the Ministry of Gender, Children and Social Protection.

We are training one of our star liaison officers in Ghana, Huzeima Mahamadu, to take on the role of Policy Associate a role largely based in Accra. Her incredible tenacity has ensured that the Lively Minds programme is top of mind across all government agencies, and is building advocacy for the importance of parents and communities in tackling the ECD crisis.

In Uganda we are part of a Community of Practice that engages with the Ministry of Education in prioritising ECD at the national, regional, District, and local levels. The group has made significant progress in ensuring the role of parents and community is emphasised and prioritises a coordinated approach to ECD across the country.

Organisational Development

We have been seeking to strengthen our organisation to ensure we are scale-ready. In managing this process, we are grateful for the support of Thea Robson, a consultant specialising in project managing to scale.

In July our CEO, Alison Naftalin was awarded a Rainer Arnhold Fellowship by the Mulago Foundation. This fellowship is designed for global leaders with promising poverty solutions, to help them to design and deliver at scale. In September, Alison attended an intensive summit to help design for impact and strategy for scale.

Also in September, the former Uganda Country Director, Kawira Thambu, transitioned to Learning and Development Coordinator, a role critical in ensuring we achieve the government as “doer” of goals. Her replacement, Jennifer Elms, joined the organisation in early September. Jennifer has a wealth of experience working with scaling organisations and has added huge value to our scale strategy across the organisation.

In November, the former Ghana Country Director, Sheena Lahren stepped into the role of Chief Operating Officer. In this role, Sheena will support our organisation in building effective systems and processes, ensuring we are a smooth running machine at scale. In November, we welcomed Clarissa Heger as Sheena’s replacement as Ghana Country Director.

The in-country teams have also expanded over the year. David Abukari, former Ghana Country Manager, has transitioned to a new role, Quality and Learning Manager to support a robust quality assurance system as we scale. Fayudatu Yakubu was promoted to Northern Regional Manager managing the Tamale office and we appointed a new IT Manager to provide support to our teams as we transition to more technology-based systems. In Uganda, Wendie Namusooko was promoted from Programmes Manager, and Jill Nabirye to Senior Training Officer.

Towards the end of the year we received a professional development grant from Echidna Giving that we will be using to support executive coaching for key leaders on senior management team as well as coaching for in-country teams on management and communication. We were also accepted into and received a scholarship for a leadership accelerator programme, Bridgespan, that will support our organisation to put a system in place for developing talent.

With these new promotions, hires and training, we are confident and ready to take our programmes to scale in both countries.

Public Benefit

When reviewing our aims and objectives and in planning our future activities, we have referred to the Charity Commission's general guidance on Public Benefit and on running a charity (PB2). The Trustees' focus has always been to measure 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 UK 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 currently focussed on implementing the Play Scheme programme and engaging with government to embed it in the respective education systems.

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.

Lively Minds 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 1. All 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, interviewing and management training and most of them have visited our Play Schemes in either Uganda or Ghana or both to meet staff and local officials and most importantly, to visit local communities and see our Play Schemes in action.

The Board meets 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 our 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. During 2019, we were delighted to welcome Maame-Yaa Bempah to the Board as part of this process and Gordon Carver as honorary member of the Board pending completion of the transition to the new legal structure.

The charity is currently a charitable trust but the Trustees have decided to change the legal structure to a company limited by guarantee. This change is in progress and will be completed at the end of our next financial year.

Risk Management

The trustees continually assess the major risks to which the charity is exposed. The principle risks have in the past been securing sustainable income and maintaining the quality of operations as our programme scales. Our risk register is reviewed regularly not less than once every twelve months and annually at the annual general meeting. The impact of disease has always been a defined risk but the recent Covid-19 crisis has heightened awareness of the impact of a world-wide pandemic on our ability to deliver our programmes in the field. During April and May 2020, the Chair and Vice-Chair attended weekly (virtual) Covid task force meetings to oversee the transition from office to home working and to review the pivotal

development of the radio programmes as a new way of reaching our beneficiaries in both countries. The Board has met regularly since the crisis escalated to model and review various cash flow forecasts in light of the changing funding landscape and is grateful for the continued support of our funders. The Board is confident that the charity is in a sound financial position to cope with the disruption caused by the virus. The programme quality has always been carefully tracked through real-time monitoring systems, KPIs and evaluations and these have been extended to track and monitor the effectiveness of the radio programmes.

Pay Policy for Senior Staff

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

Unrestricted 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' normal running costs. This currently equates to £128,000. During the financial year ending December 2019, reserves, which are shown as unrestricted funds in the balance sheet, increased from £129,583 to £144,868. This is in line with our reserves policy.

Income Vs Expenditure

The total income for the financial year was £658,090 (2018: £881,695) and the total expenditure was £911,661 (2018: £594,940). The difference between 2018 and 2019 income and the variance between income and expenditure for the year is due to grant income being accounted for when the grant conditions are satisfied which may not tie up with the timing of expenditure for which the grant was awarded. In the final quarter of 2018, we received grants totalling £325,206 to fund activities for the following twelve months and £173,492 to fund activities for the following 6 months. These grants met the recognition criteria and were accounted for as income in 2018.

We received £206,177 from Global Innovation Fund in April 2019, attributable to activities in 2019. This grant had been accounted for as income in 2018 when the grant conditions relating to it had been met.

In the final quarter of the financial year we received three grants totalling £275,185 to fund activities for the following 12 months and one grant of £206,177 to fund activities for the following 6 months. This income has been accounted for in 2019.

Financial Overview

Lively Minds' annual income for 2019 was £658,090. In addition to this UK income, we received £31,441 from UNICEF Ghana directly into our Ghana account and £18,697 directly into our Uganda account from Grand Challenges Canada.

Our main donors for our Ghana programme are Global Innovation Fund, ELMA Philanthropies and AKO Foundation. Our Uganda programme is supported by Grand Challenges Canada, Echidna Giving, AKO Foundation, Marr Munning and Dioraphte.

In addition, we have been greatly assisted in our scale planning by the Rainer Arnhold fellowship awarded to our CEO by the Mulago Foundation.

Grants Received in Year

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

AKO Foundation
Dioraphte
Echidna Giving
ELMA Philanthropies
Global Innovation Fund
Marr Munning
Mulago Foundation
Omidyar Network
UNICEF Ghana
USAID

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).

Charity's Accounts

The charity's accounts, which are attached to this report, have been prepared in line with current statutory requirements, the charity's governing documents and the SORP 2005 Accounting and Reporting by Charities.

On behalf of the Trustees

Alison Hart 

Chairman

Dated: 20th July 2020

LIVELY MINDS

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LIVELY MINDS FOR THE YEAR ENDED 31 DECEMBER 2019

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2019.

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 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: 23 July 2020

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

LIVELY MINDS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2019 £ | Total 2018 £ |
|--|------|----------------------------|--------------------------|-----------------------|-----------------------|
| Income | | | | | |
| Grants, donations and legacies | 2 | 96,150 | 561,079 | 657,229 | 880,970 |
| Investment income | | 806 | - | 806 | 317 |
| Income from other activities | | 55 | - | 55 | 408 |
| Total income | | <u>97,011</u> | <u>561,079</u> | <u>658,090</u> | <u>881,695</u> |
| Expenditure | | | | | |
| Raising funds | | 5,811 | - | 5,811 | 4,900 |
| Charitable activities | 5 | 75,915 | 829,935 | 905,850 | 590,040 |
| Total expenditure | | <u>81,726</u> | <u>829,935</u> | <u>911,661</u> | <u>594,940</u> |
| Net income/(expenditure) | | 15,285 | (268,856) | (253,571) | 286,755 |
| Net movement in funds | | <u>15,285</u> | <u>(268,856)</u> | <u>(253,571)</u> | <u>286,755</u> |
| Transfers between funds | | - | - | - | - |
| Reconciliation of funds | | | | | |
| Total funds at 1 January 2019 | | 129,583 | 658,445 | 788,028 | 501,273 |
| Total funds at 31 December 2019 | 14 | <u><u>144,868</u></u> | <u><u>389,589</u></u> | <u><u>534,457</u></u> | <u><u>788,028</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 2019**

| | Note | 2019 £ | 2018 £ |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 10 | 4,602 | 4,684 |
| Current assets | | | |
| Debtors | 11 | 17,859 | 207,348 |
| Cash at bank and in hand | | 520,248 | 600,353 |
| Total assets | | <u>542,709</u> | <u>812,385</u> |
| Current Liabilities: Amounts falling due within one year | 12 | (8,252) | (24,357) |
| Net assets | | <u>534,457</u> | <u>788,028</u> |
| Accumulated Funds | | | |
| Restricted Funds | 13 | 389,589 | 658,445 |
| Unrestricted Funds | | 144,868 | 129,583 |
| Total Funds | | <u>534,457</u> | <u>788,028</u> |

Approved on behalf of the Board of Trustees on  and signed on their behalf by:

Name: ALISON HART

Position: CHAIRMAN

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 2019

| | Year ended 31 December 2019 | | Year ended 31 December 2018 | |
|--|--------------------------------|-----------------------|--------------------------------|-----------------------|
| | £ | £ | £ | £ |
| Cash flow from operating activities: | | | | |
| Net (expenditure)/income | (253,571) | | 286,755 | |
| Adjustments for: | | | | |
| Depreciation | 2,131 | | 786 | |
| Interest received | (806) | | (317) | |
| Decrease/(Increase) in debtors | 189,489 | | (43,111) | |
| (Decrease)/Increase in creditors | <u>(16,105)</u> | | <u>16,269</u> | |
| Net cash (used in)/provided by operating activities | | (78,862) | | 260,382 |
| Cash flow from investing activities: | | | | |
| Payments to acquire tangible fixed assets | (2,049) | | (5,051) | |
| Interest received | <u>806</u> | | <u>317</u> | |
| Net cash used in investing activities | | (1,243) | | (4,734) |
| Change in cash and cash equivalents | | (80,105) | | 255,648 |
| Cash and cash equivalents at the beginning of the year | | 600,353 | | 344,705 |
| Cash and cash equivalents at the end of the year | | <u>520,248</u> | | <u>600,353</u> |
| Analysis of cash and cash equivalents | | | | |
| Cash in bank and in hand | | 520,248 | | 600,353 |
| | | <u>520,248</u> | | <u>600,353</u> |

**LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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) including Update Bulletin 2.

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

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees have considered the charity forecasts and budgets and have taken account of pressures on grant income, and in particular any impact of COVID-19. The trustees gain assurance that a large majority of the charity's restricted income is confirmed for 2020 and benefits from having a good relationship with its unrestricted funders. On this basis the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for twelve months from the date of approval of these financial statements. The charity therefore continues to adopt the going concern basis in preparing its 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 |
|--------------|-----------------------|

LIVELY MINDS
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

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.

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 2019

2. Income and endowments

| | Donations & grants £ | Investment income £ | Play Schemes - Ghana £ | Play Schemes - Uganda £ | Other income £ | Total 2019 £ | Total 2018 £ |
|---|----------------------------|---------------------------|------------------------------|-------------------------------|----------------------|--------------------|--------------------|
| Donations and grants (see note 4) | 96,150 | - | - | - | - | 96,150 | 36,445 |
| Grants for specific activities (see note 3) | - | - | 337,510 | 223,569 | - | 561,079 | 844,525 |
| Bank interest from deposit account | - | 806 | - | - | - | 806 | 317 |
| Income from fundraising events | - | - | - | - | 55 | 55 | 408 |
| | 96,150 | 806 | 337,510 | 223,569 | 55 | 658,090 | 881,695 |

3. Grants for specific activities

| | Play Schemes - Ghana £ | Play Schemes - Uganda £ | Total 2019 £ | Total 2018 £ |
|---|------------------------------|-------------------------------|-----------------|-----------------|
| AKO Foundation | 33,333 | 33,333 | 66,666 | 33,333 |
| Marr Munning | - | 20,000 | 20,000 | 20,000 |
| Echidna Giving | - | 112,288 | 112,288 | 114,922 |
| Echidna Giving Coaching grant | - | 31,565 | 31,565 | - |
| Dioraphite Foundation* | - | (4,326) | (4,326) | 78,950 |
| Headley Trust | - | - | - | 30,000 |
| British Foreign Schools Society | - | - | - | 9,651 |
| Waterloo Foundation | - | - | - | 40,000 |
| US Aid | - | 30,709 | 30,709 | - |
| Elma Philanthropies | 98,000 | - | 98,000 | 98,000 |
| Allen & Nesta Ferguson Charitable Trust | - | - | - | - |
| Global Innovation Fund | 206,177 | - | 206,177 | 419,669 |
| Total | 337,510 | 223,569 | 561,079 | 844,525 |

* Relating to an underspend on grant funds and return of unused amounts.

LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

| 4. Donations and grants | 2019 £ | 2018 £ |
|-------------------------|---------------|---------------|
| Anonymous | 50,000 | 20,000 |
| Anonymous | 600 | 500 |
| Newton Trust | - | 400 |
| Tom's Tots | - | 250 |
| Mulago Foundation | 38,575 | - |
| Individual donations | 5,954 | 12,796 |
| Gift aid reclaimed | 1,021 | 2,499 |
| | <u>96,150</u> | <u>36,445</u> |

Included in individual donations are donations of £1,200 (2018: £7,700) received from one trustee (2018: 2 trustees) of the charity.

5. Analysis of Expenditure

| | Staff costs (Note 9) £ | Project costs £ | Support costs (Note 6) £ | Total 2019 £ | Total 2018 £ |
|-----------------------|------------------------------|--------------------|--------------------------------|--------------------|-----------------|
| Cost of raising funds | 5,633 | - | 178 | 5,811 | 4,900 |
| Charitable activities | | | | | |
| Play Schemes - Ghana | 164,154 | 439,398 | 20,941 | 624,493 | 433,818 |
| Play Schemes - Uganda | 86,302 | 175,193 | 8,349 | 269,844 | 152,322 |
| | <u>250,456</u> | <u>614,591</u> | <u>29,290</u> | <u>894,337</u> | <u>586,140</u> |
| Governance costs | - | - | 11,513 | 11,513 | 3,900 |
| Total expenditure | <u>256,089</u> | <u>614,591</u> | <u>40,981</u> | <u>911,661</u> | <u>594,940</u> |

Included within the above are £829,934 attributable to restricted projects (2018: £592,245).

LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Support costs

Support costs include the following:

| | 2019 £ | 2018 £ |
|---------------------------|---------------|---------------|
| Insurance | 6,400 | 4,441 |
| Bank charges | 272 | 264 |
| Professional fees | 4,192 | 9,502 |
| Printing and photocopying | 25 | - |
| Stationery and postage | 658 | 369 |
| Telephone and internet | 203 | 1,573 |
| Marketing | 11,226 | 669 |
| Website | 122 | 554 |
| Recruitment & training | 1,259 | 1,838 |
| Depreciation charge | 2,131 | 786 |
| Other expenses | 1,040 | 940 |
| Travel costs | 1,762 | 268 |
| Governance (note 7) | 11,513 | 3,900 |
| | <u>40,803</u> | <u>25,104</u> |

7. Analysis of governance costs

| | 2019 £ | 2018 £ |
|--------------------------|---------------|--------------|
| External examination fee | 4,050 | 3,900 |
| Legal fees | 7,463 | - |
| | <u>11,513</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

| | 2019 £ | 2018 £ |
|--|--------------|--------------|
| This is stated after charging: | | |
| Independent examiner's remuneration (gross of VAT) | <u>4,050</u> | <u>3,900</u> |

9. Staff costs

| | 2019 £ | 2018 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 174,120 | 146,295 |
| Social security costs | 15,385 | 12,744 |
| Pension costs | 4,696 | 2,738 |
| Freelance costs | 63,630 | 50,231 |
| | <u>257,831</u> | <u>212,008</u> |

The average number of employees for the year was 5 (2018: 4).

LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 £62,970 (2018: £63,566). Employee benefits include salaries and wages, employer social security costs, employer's pension contributions and other benefits.

10. Tangible Fixed Assets

| | 2019 IT Equipment £ |
|-----------------------|---------------------------|
| Cost | |
| At 1 January 2019 | 5,501 |
| Additions | 2,049 |
| At 31 December 2019 | <u>7,550</u> |
| Depreciation | |
| At 1 January 2019 | 817 |
| Charge for the year | 2,131 |
| At 31 December 2019 | <u>2,948</u> |
| Net book value | |
| At 31 December 2019 | <u>4,602</u> |
| At 1 January 2019 | <u>4,684</u> |

11. Debtors

| | 2019 £ | 2018 £ |
|----------------|---------------|----------------|
| Accrued income | 14,946 | 206,177 |
| Other debtors | 2,913 | 1,171 |
| | <u>17,859</u> | <u>207,348</u> |

Included with debtors are £Nil (2018: £207,348) of financial assets.

12. Creditors

| | 2019 £ | 2018 £ |
|-----------------|--------------|---------------|
| Accruals | 5,583 | 20,158 |
| Social security | 2,669 | 4,199 |
| | <u>8,252</u> | <u>24,357</u> |

Included within creditors are £5,583 (2018: £20,158) of financial liabilities.

LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Restricted funds

| | Balance 01-Jan-19 £ | Income £ | Movement in funds Expenditure £ | Transfers £ | Balance 31-Dec-19 £ |
|--------------------------------------|---------------------------|----------------|---------------------------------------|----------------|---------------------------|
| Waterloo Foundation | 3,333 | - | (3,333) | - | - |
| Headley Trust | 2,500 | - | (2,500) | - | - |
| Elma Philanthropies | 98,000 | 98,000 | (149,160) | - | 46,840 |
| Marr Munning | 3,333 | 20,000 | (20,000) | - | 3,333 |
| AKO Foundation | 27,652 | 66,666 | (49,333) | - | 44,985 |
| Echidna Giving | 105,220 | 112,287 | (81,183) | - | 136,324 |
| Echidna Coaching grant | - | 31,565 | - | - | 31,565 |
| Dioraphte | 72,246 | (4,325) | (67,921) | - | - |
| Omidyar Network | 48,016 | - | (48,016) | - | - |
| Global Innovation Fund | 296,159 | 206,177 | (375,794) | - | 126,542 |
| British & Foreign Schools Society | 1,986 | - | (1,986) | - | - |
| US AID | - | 30,709 | (30,709) | - | - |
| | <u>658,445</u> | <u>561,079</u> | <u>(829,935)</u> | <u>-</u> | <u>389,589</u> |

| | Balance 01-Jan-18 £ | Income £ | Movement in funds Expenditure £ | Transfers £ | Balance 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> |

**LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 the 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 agreement was signed in 2018 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 two year grant to support the set-up of new Play Schemes in Uganda

AKO Foundation

AKO Foundation provided an unrestricted grant in 2018. This year, they agreed a three year grant towards the Play Scheme project in Uganda.

Echidna Giving and Echidna Coaching grant

Echidna Giving agreed to contribute a three year grant towards the Uganda programme. The first annual instalment was made in November 2019. Echidna Coaching was funding awarded in December 2019 to provide key managers with dedicated coaching support.

Dioraphte

A one year grant towards the Uganda programme was provided in October 2019.

British & Foreign Schools Society

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

US AID

During the year the charity received a restricted grant covering the period from July 2019 to July 2022 for \$1.25M

14. Analysis of net assets between funds

| | General unrestricted £ | Restricted £ | 2019 Total funds £ |
|--|------------------------------|-----------------|--------------------------|
| Tangible fixed assets | 4,602 | - | 4,602 |
| Net current assets | 144,868 | 389,589 | 529,855 |
| Net assets at the end of the year | 149,470 | 389,589 | 534,457 |

LIVELY MINDS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Analysis of net assets between funds (continued)

| | 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 | 129,583 | 658,445 | 788,028 |

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.

17. Prior year Statement of Financial Activities

| | Note | Unrestricted funds | Restricted funds | Total 2018 |
|--|-----------|-----------------------|---------------------|----------------|
| | | £ | £ | £ |
| Income | | | | |
| Grants, donations and legacies | 2 | 36,445 | 844,525 | 880,970 |
| Investment income | | 317 | - | 317 |
| Income from other activities | | 408 | - | 408 |
| Total income | | 37,170 | 844,525 | 881,695 |
| Expenditure | | | | |
| Raising funds | | 2,695 | 2,205 | 4,900 |
| Charitable activities | 5 | - | 590,040 | 590,040 |
| Total expenditure | | 2,695 | 592,245 | 594,940 |
| Net movement in funds | | 34,475 | 252,280 | 286,755 |
| Reconciliation of funds | | | | |
| Total funds at 1 January 2018 | | 95,108 | 406,165 | 501,273 |
| Total funds at 31 December 2018 | 14 | 129,583 | 658,445 | 788,028 |