

MEETING: 28/01/2015

Ref: 12393

ASSESSMENT CATEGORY - Older Londoners

Age Exchange

Adv: Sandra Jones

Base: Greenwich

Amount requested: £146,974

Benefit: Greenwich

Amount recommended: £48,000

The Charity

Age Exchange Theatre Trust (AE) was established in 1983. It has translated and interpreted the memories of thousands of older people into touring productions, intergenerational and schools work, training projects, arts programmes and cultural events. Reminiscence workshops gather invaluable materials which are then put to a variety of contemporary uses. Workshops take place in the community, residential care homes and hospitals. This latter approach helps ensure that the professional care of older people becomes more person-centred and less de-personalised.

The Application

AE seeks £146,974 over three years for older carers and the people they care for who have dementia to participate in enjoyable social and cultural activities, with the aim of keeping older carers healthy, enabling them to care for their loved ones for longer in their own homes whilst still engaging with people around them.

The Recommendation

AE has earned a local, regional, national and international reputation for developing creative opportunities for older people who in turn help younger people to understand their past and interpret the world around them. This project, called *Inspired Caring*, will provide structured activities for 15 + couples per annum (older carers and the people with dementia that they care for) along with monthly advice and advocacy sessions for 180 carers per annum. In recent years the organisation has faced financial difficulties. In response, AE is changing its business model and is hoping to turn around its financial position over the next 3 years. However, in order to safeguard the Trust's funding your officer recommends that one year funding is given at this stage and released quarterly on receipt of satisfactory three-monthly management accounts.

£48,000 for the costs of the 'Inspired Caring' project for older carers and the people with dementia that they care for with the funding being released on receipt of satisfactory quarterly management accounts.

Funding History

Meeting Date	Decision
09/01/2014	Application withdrawn pending further work by Age Exchange on its financial review.
18/03/2010	£100,000 over two years (2 x £50,000) for the salary and running costs of a reminiscence programme for older people living in residential care.
07/06/2007	£40,900 towards the cost of reminiscence projects in residential care settings for one year.

Background and detail of proposal

Over the past 30 years AE has provided activities for people who have dementia both in the community and in residential care. During this time the demand for its services from people with dementia and their carers has increased, with the older carers being isolated within their caring daily lives, pointing to the high risk of depression and ill health. Based on its experience AE has identified the need to work with carers of older people with dementia to enable them to care for those with dementia at home. This proposal will run 46 weekly sessions for 15 couples offering stimulating arts activities for carers and their loved ones, increasing meaningful interaction between them. There will be monthly advice sessions providing assistance on benefits, health, house and care for 180 carers. There will also be six programmes per annum of eight sessions providing mindfulness / well-being support enabling people to cope better with the demands of dementia care. Complementing these sessions, there will be stimulating art activities for those with dementia.

Financial Information

Within the Report and Accounts of AE for the year ended 31st March 2014, the 'Independent auditors report to the members of Age Exchange Theatre Trust Limited' noted the following:

"Emphasis of matter – going concern

In forming our opinion of the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 1(ii) to the financial statements concerning the charity's ability to continue as a going concern. The charity's free reserves at 31 March 2014 were £130,000 in deficit. These conditions, along with the matters explained in note 1(ii), indicate the existence of a material uncertainty which may cast doubt about the charity's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charity was unable to continue as a going concern".

The disclosures referred to in note 1 (ii) above, are shown at Annex 1 to this report.

The charity's reserves policy target is to hold 6 months' worth of core expenditure, which it calculates as £127,000. This is a modest target equating to 1.9 months' worth of total expenditure in the current year. As noted in the Independent Auditor's report, no free reserves were actually held at 31st March 2014 and were in a negative position of £128,366. Based on the charity's current year forecast, free reserves are predicted to improve to a reduced negative holding of £70,168 by the end of the year on 31 March 2015. The charity explains that it has undertaken a major refurbishment of its properties over the last 3 years, which is intended to provide the Trust with a community hub and base for local activities, as well as revenue generating streams. The charity advised that this is the reason its free unrestricted reserves have fallen below its target level.

Whilst the charity free reserves were in a negative position as at 31st March 2014 amounting to £128,366, the charity's overall funds amounted to £1,437,603, comprising 'restricted funds' of £187,292, 'permanent endowment funds' of £99,438, which are invested to provide income towards the objectives of the charity, and operational fixed assets amounting to £1,552,818. Offsetting these funds the charity recorded loans repayable over more than one year amounting to £273,579.

Forecast income for the current year 2014/15 is £820,679 as shown in the table below, of which £643,615 (78.4%) had been confirmed by November 2014.

The newly appointed CEO and trustees have developed a 3 year plan covering 2015/16, 2016/17 and 2017/18 to improve the recognition of its work such as the RADIQL programme, investment in marketing through a new website, and improved fundraising through dedicated staff. A financial forecast has been provided for each of these 3 years showing unrestricted fund surpluses of £16,260, £280 and £31,628. If achieved, these surpluses would total £48,168 and help reduce the negative free reserves position from £70,168 to £22,000 by 31 March 2018. However, over the same 3 year period, restricted funds are forecast to be in deficit each year. The total of these deficits is £150,816, which would utilise almost all existing restricted funds leaving £4,557 available as at 31 March 2018.

Should a grant be awarded to the charity it is suggested, given its financial position, that funding for only one year is provided at this stage and that this be released quarterly on receipt of satisfactory quarterly management accounts.

Year end at 31 March	2013/14 Audited Accounts £	2014/15 Current Year Forecast £
Income and Expenditure		
Income	713,018	820,679
Expenditure	594,474	794,400
Unrestricted Funds Surplus / (Deficit)	54,794	58,198
Restricted Funds Surplus / (Deficit)	63,750	(31,919)
Gain/(loss) on fixed assets	(100,039)	-
Gain/(loss) on investment assets	2,090	-
Total Surplus / (Deficit)	20,595	26,279
Surplus / (Deficit) as a % of turn over	2.9%	3.2%
Cost of Generating funds (% of income)	193,086 (27.1%)	182,150 (22.2%)
Free unrestricted reserves		
Unrestricted free reserves held at Year End (brackets indicate negative funds)	(128,366)	(70,168)
How many months' worth of expenditure	nil	nil
Reserves Policy target	127,000	127,000
How many months' worth of expenditure	2.6	1.9
Free reserves over/(under) target	(255,366)	(197,168)

Annex 1


Age Exchange Theatre Trust Limited

Notes to the accounts for the year ended 31 March 2014

1. Accounting policies

(ii) Going concern

The financial statements have been prepared on a going concern basis. The trustees consider that this is appropriate because:

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- *the charity has a clear view of the funds it requires having prepared forecasts for the period up to 2016-17.*
 - *the management team has been strengthened with the appointment of a new chief executive and improved financial management.*
 - *the charity therefore has greater opportunities for raising funds than existed during 2013-14.*
 - *obtaining the results of the professional evaluation of the major work being delivered in association with the Guys and St Thomas' charity due in late 2014 will enable the charity to raise its profile significantly both within the NHS and more widely.*
 - *the charity retains significant levels of assets and reserves and the trustees are reviewing how these may be used to invest in the future development of the charity.*