

**ASSESSMENT CATEGORY - Older Londoners****Age Exchange Theatre Trust****Adv: Sandra Jones****Amount requested: £96,649****Base: Greenwich****Benefit: Greenwich****Amount recommended: £96,700****The Charity**

Established in 1983, Age Exchange (AE) exists to improve well-being and combat loneliness and isolation in older age. AE is one of the UK leaders in the field of Reminiscence Arts, which is used to give value to the lives of vulnerable people and which measurably benefits their wellbeing and quality of life. Activities include intergenerational projects between older and younger age groups, training programmes for professional care workers and family carers, groups to support people with dementia living in the community and a range of reminiscence projects within a wide range of settings. The charity also runs a community hub, library and community café.

**The Application**

You have funded AE for one year, and this application is for a further two years of the same service. The application is for '*Inspired Caring*', a project for older carers and those they care for who have dementia. The project offers 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's application was considered by your Committee in January 2015 and you agreed to funding, initially for one year as there were concerns at that stage about the longer term viability of the charity. AE has been working on changing its business model and turn round its financial position over the next three years. In order to safeguard the Trust's funding your officer recommends that the funding be released quarterly on receipt of satisfactory quarterly management accounts.

The project will provide structured activities for 15+ couples per annum (older carers and cared for who have dementia) along with monthly advice and advocacy sessions. During the current year of funding AE has exceeded their target.

***£96,700 over two years (£47,850, £48,850) for the costs of the 'Inspired Caring' project for older carers and the people that they care for who have dementia, with the funding being released on receipt of satisfactory quarterly management accounts.***

**Funding History**

Meeting Date	Decision
28/01/2015	£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.
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, payable in two equal instalments.

### **Background and detail of proposal**

192 people benefited from your funding over the past year, during which time AE ran 46 group sessions with an average of 15 couples per session offering stimulating arts activities for carers and their loved ones, increasing meaningful interaction between them. They also offered advocacy, support and alternative therapy to older carers and 1:1 sessions where needed for carers. This number of group sessions has recently doubled as the organisation has been awarded funding from the Childwick Trust to provide group sessions on Sundays.

The demand for its services from people with dementia and their carers continues to increase, with the older carers being isolated within their caring daily lives, pointing to the high risk of depression and ill health. This proposal will continue to run 46 weekly sessions for 15 couples along with 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**

AE has faced financial difficulties in recent years, but it has been working on changing its business model and turning around its financial position, hopefully over the next three years. The accounts for 2013/14 showed that the external auditor had made an "emphasis of matter – going concern" noting "the existence of material uncertainty which may cast doubt about the charity's ability to continue as a going concern". Whilst such a note was not part of the 2014/15 audited accounts, the charity's financial position remained weak, with free reserves continuing to be in a negative position at 31 March 2015.

The charity took out a 21 year loan of £150,000 with Barclays Bank in 2015/16, which was secured against their property (value of £1.5m as at 31 March 2015), in order to boost free reserves and develop future funding streams to eliminate their structural deficit. The trustees state that the charity is planning to introduce a major donor fundraising programme and increase the level of delivery made under contract rather than just rely on grant funding to improve its position. To this end the charity has recently been awarded a Local Sustainability Fund grant of £97,000 to pay for consultancy and other costs to enable it to work towards being sustainable. Trustees have employed a fundraiser to assist with grant applications, seeking donors and fundraising events. The charity has just been informed (May 2016) that they have been awarded a £468,000 grant over 3 years from the Big Lottery Fund commencing 2016. Based on discussions with the NHS, AE is also anticipating significant opportunities in the healthcare sector although these have yet to come to fruition.

The charity holds an endowment fund comprising investments which had a value of £117,917 as at 31 March 2015. The fund was created in 2010 for the purposes of providing an income for the charity's general purposes and, to this end £3,947 was generated in 2014/15. Currently, the fund is permanent although the charity has

applied to the Charity Commission to change it to expendable. The charity has not included potential investment income in the 2015/16 and 2016/17 forecasts.

Year end at 31 March	2014/2015 Audited Accounts	2015/2016 Forecast Outturn	2016/2017 Budget
<b>Income and Expenditure</b>			
Income	647,756	548,000	628,000
Expenditure	657,746	620,000	660,000
Other Recognised Gains and Losses	3,694	0	0
Unrestricted Funds Surplus / (Deficit)	39,527	(30,000)	12,000
Restricted Funds Surplus / (Deficit)	(49,517)	(42,000)	(31,000)
<b>Total Surplus / (Deficit)</b>	<b>(6,296)</b>	<b>(72,000)</b>	<b>(19,000)</b>
Surplus / (Deficit) as a % of turnover	(1.0%)	(13.1%)	(2.5%)
Cost of Generating funds (% of income)	73,971 (11.4%)	87,000 (15.9%)	94,000 (12.2%)
<b>Free unrestricted reserves</b>			
Unrestricted reserves held at Year End	(85,637)	44,615	56,615
How many months' worth of expenditure	(1.6)	0.9	0.9
Reserves Policy target	50,000 – 70,000	50,000 – 70,000	50,000 – 70,000
How many months' worth of expenditure	0.9 – 1.3	1.0 – 1.4	0.8 – 1.1
Free reserves over/(under) target	(135,637) – (155,637)	(5,385) – (25,385)	6,615 – (13,385)