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TREETOPS HOSPICE TRUST GROUP
(LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1997

JOHNSON, MURKETT AND HURST
CHARTERED ACCOUNTANTS

Rawdon House
Rawdon Terrace
Ashby-de-la-Zouch
Leicestershire
LE65 2GN

and

38, Millstone Lane
Leicester
LE1 5JN



TREETOPS HOSPICE TRUST GROUP

TRUSTEES

R Alderton
A Allen
F Anderson (Treasurer)
S Basker
W Baxendale-Baines
C Cheetham
P Cresswell
J Eagle
M Fox
J Griffiths
P Harvey
M Henry (Chairman - Executive)
R Payne
W Rowley (Resigned as Chairman - Board of Trustees on 1.01.97)

R Saltmarsh
J Shields (Appointed Chairman - Board of Trustees on 9.01.97)

A Taylor
P Thomson
R Wilson (Resigned 22.09.96)

SECRETARY

R Thomas

REGISTERED OFFICE

Treetops Hospice
Derby Road
Risley
Draycott
Derbyshire
DE72 3SS

REGISTERED NUMBER

1801708 (England & Wales)

REGISTERED CHARITY NUMBER

519540

AUDITORS

Johnson Murkett and Hurst
Chartered Accountants
Rawdon House
Rawdon Terrace
Ashby de la Zouch
Leicestershire
LE65 2GN

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS 31 MARCH 1997

Pages	1 - 2	Report of the Trustees
	3	Report of the Auditors
	4	Consolidated Balance Sheet
	5	Consolidated Statement of Financial Activities
	6 - 11	Notes to the Accounts

The following pages do not form part of the statutory accounts:

12	Operational Income and Expenditure Account
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TREETOPS HOSPICE TRUST GROUP

REPORT OF THE TRUSTEES

The Trustees present their annual report with the accounts of the Trust for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

The principal activities of the Trust in the year under review were the provision of nursing and other facilities for the terminally ill and the raising of funds for that purpose.

The Trust's subsidiary company, Treetops Funding Limited, manages a lottery to raise funds for the hospice.

CHARITABLE STATUS

The Trust is a registered charity.

CHAIRMANS' REPORT

In accordance with The Statement of Recommended Practice for Charities, the Chairman, Mr Shields, has prepared a report detailing the performance of the Trust for the year ended 31 March 1997. This has been made available to the members.

TRUSTEES

Mr Rowley holds one share, as nominee of Treetops Hospice Trust, in Treetops Funding Limited.

None of the other trustees have any interest in the shares of any other group company, including rights to subscribe for shares.

TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the group and of the surplus or deficit for that period. In preparing those accounts, the Trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TREETOPS HOSPICE TRUST GROUP

REPORT OF THE TRUSTEES

AUDITORS

A resolution to re-appoint as auditors Messrs. Johnson Murkett and Hurst in accordance with Section 385 of the Companies Act 1985 will be placed before the members at the forthcoming Annual General Meeting.

In preparing the above report, the Trustees have taken advantage of special exemptions applicable to small companies provided by Part VII of the Companies Act 1985.

Signed on behalf of the
Board of Trustees



J Shields
Chairman



F F Anderson
Treasurer

Approved by the Board on: 12/8/97

REPORT OF THE AUDITORS
TO THE MEMBERS OF TREETOPS HOSPICE TRUST GROUP

We have audited the accounts set out on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 1, the Trustees are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements by the Trustees in the preparation of accounts, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

The Trust, in common with many others of a similar size and organisation, derives a substantial proportion of its income from voluntary donations and charity shop takings, which cannot be fully controlled until they are entered into the accounting records and are not therefore susceptible to independent audit verification until this point.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Trust and of the group as at 31 March 1997 and of its deficit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Johnson, Murkett and Hurst
Chartered Accountants and Registered Auditors

Date: 19/9/97

Ashby de la Zouch
Leicestershire

TREETOPS HOSPICE TRUST GROUPCONSOLIDATED BALANCE SHEET AS AT 31 MARCH 1997

		<u>Group</u>		<u>Trust</u>	
	<u>Notes</u>	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>					
Tangible assets	10	370,503	-	368,475	358,844
Investments	11	-	-	10,000	-
		<u>370,503</u>	<u>-</u>	<u>378,475</u>	<u>358,844</u>
<u>CURRENT ASSETS</u>					
Debtors	12	14,167	-	48,193	8,141
Cash in Bank and in Hand		16,967	-	8,787	97,293
		<u>31,134</u>	<u>-</u>	<u>56,980</u>	<u>105,434</u>
<u>CREDITORS: Amounts falling due within one year</u>	13	67,747	-	47,269	24,262
<u>NET CURRENT ASSETS</u>		<u>(36,613)</u>	<u>-</u>	<u>9,711</u>	<u>81,172</u>
<u>NET ASSETS</u>		<u>333,890</u>	<u>-</u>	<u>388,186</u>	<u>440,016</u>
<u>CAPITAL FUNDS</u>					
Unrestricted Funds		<u>333,890</u>	<u>-</u>	<u>388,186</u>	<u>440,016</u>

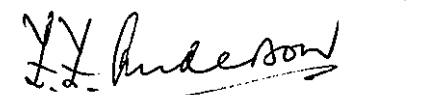
The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
Board of Trustees



J Shields
Chairman

Date: 12/8/97



F F Anderson
Treasurer

Date: 12/8/97

The notes on pages 6 to 11 form part of these accounts.

TREETOPS HOSPICE TRUST GROUP
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 1997

		<u>Unrestricted Funds</u>	<u>Total</u>	<u>Total</u>
	<u>Notes</u>	<u>1997</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>	<u>£</u>
<u>INCOMING RESOURCES</u>				
Donations and Gifts	8	31,265	31,265	33,776
Net Proceed of Events and General Activities	8	87,693	87,693	81,387
SDHA Contracts	9	126,564	126,564	127,000
Investment Income		6,384	6,384	6,815
Charity Rate Relief		5,164	5,164	4,850
<u>TOTAL INCOMING RESOURCES</u>		257,070	257,070	253,828
<u>RESOURCES EXPENDED</u>				
	5			
Direct Charitable Expenditure		252,644	252,644	234,853
Other Expenditure:-				
Fund Raising and Publicity Costs		20,008	20,008	17,639
Management and Administration of the Charity		24,689	24,689	24,913
Net Expenditure of Trading Subsidiary		65,855	65,855	-
		363,196	363,196	277,405
<u>NET OUTGOING RESOURCES</u>		(106,126)	(106,126)	(23,577)
<u>FUND BALANCES</u>				
As at 31 March 1996		440,016	440,016	463,593
<u>FUND BALANCES</u>				
As at 31 March 1997		333,890	333,890	440,016

CONTINUING OPERATIONS

None of the Trust's activities were acquired or discontinued during the above two financial years.
The subsidiary company commenced trading on 1st July 1996.

TOTAL RECOGNISED GAINS AND LOSSES

The Trust has no recognised gains or losses other than the surplus or deficit for the above two financial years.

TREETOPS HOSPICE TRUST GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Trusts financial statements:

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b) Consolidation

The consolidated financial statements have been prepared for the charity and it's wholly owned subsidiary Treetops Funding Limited.

c) Tangible Fixed Assets

Depreciation is provided on tangible fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and Fittings	- 15% reducing balance
Office Equipment	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

No depreciation is provided on Freehold Land and Buildings, contrary to SSAP 12, as it is considered that the current market value of the property is not less than its book value.

d) Income

All income recorded in the financial statements is gross before deducting any costs. Due to the charitable status of the Trust no VAT is applicable.

e) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the surplus as incurred.

d) Pension Costs

Contributions in respect of the Hospice's defined contribution pension schemes are charged to the income and expenditure account for the year in which they are payable to the scheme.

2. INCOME

All the income was generated within the United Kingdom.

TREETOPS HOSPICE TRUST GROUPNOTES TO THE CONSOLIDATED ACCOUNTSFOR THE YEAR ENDED 31 MARCH 19973. NET OUTGOING RESOURCES

The net outgoing resources are stated after charging:

	<u>Group</u>		<u>Trust</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Depreciation of Tangible Fixed Assets	8,001	-	7,324	7,486
Auditors' Remuneration	4,583	-	2,820	2,115
Staff Salary Costs (Inc NIC)	221,661	-	204,060	179,254
Staff Pension Costs	3,638	-	3,638	5,374

4. NET EXPENDITURE FROM TRADING ACTIVITIES OF SUBSIDIARY

The charity has a wholly owned subsidiary, which was incorporated in the UK, Treetops Funding Limited. The company covenants its taxable profits to Treetops Hospice Trust and also pay interest on loans from Treetops Hospice Trust. A summary of the trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

Profit and Loss Account	<u>1997</u>
	<u>£</u>
Lottery Receipts	87,127
Lottery Prizes	84,000
	<u>3,127</u>
Donations Received	508
	<u>3,635</u>
Administration	(57,931)
Interest Payable	-
	<u>(54,296)</u>
Amount covenanted to the Trust	-
	<u>(54,296)</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

<u>Year to 31 March 1997</u>	<u>Staff Costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Direct Charitable Expenditure	192,795	54,806	5,043	252,644
Other:-				
Fund Raising and Publicity	5,896	11,831	2,281	20,008
Management and Administration of the Charity	18,434	6,255	-	24,689
	<u>217,125</u>	<u>72,892</u>	<u>7,324</u>	<u>297,341</u>
Net expenditure of Trading subsidiary				65,855
				<u>363,196</u>
Year to 31 March 1996	185,241	84,678	7,486	277,405

TREETOPS HOSPICE TRUST GROUP
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

6. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	<u>1997</u> <u>Unrestricted</u> <u>Funds</u>	<u>1997</u> <u>Total</u>	<u>1996</u> <u>Total</u>
Net movement in funds for the year	(106,126)	(106,126)	(23,577)
Net increase in tangible fixed assets:			
For direct charitable expenditure	7,825	7,825	4,407
For other purposes	3,834	3,834	5,224
	<u>(94,467)</u>	<u>(94,467)</u>	<u>(13,946)</u>

7. TAXATION

The Trust is not subject to corporation tax due to its charitable status.

8. DONATIONS, BEQUESTS, SPONSORSHIPS AND
FUNDRAISING ACTIVITIES

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Bequests, Donations and Sponsorships	19,750	20,366
Covenants – Gross	3,328	3,185
Income From Charitable Trusts and Industry	8,187	10,225
	<u>31,265</u>	<u>33,776</u>
Net Shop Sales	43,259	38,119
Other Fundraising Activities	44,434	43,268
	<u>87,693</u>	<u>81,387</u>

Income from Charitable Trusts and Industry has not been analysed by category.

Other Fundraising Activities comprise the following:

<u>General Purposes:</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Support Group Donations From Organised Events	14,323	9,885
Income From Other Clubs and Organisations	7,663	10,697
Christmas Bells	5,031	3,617
Car Boot Sales	3,465	3,430
Fashion Show	504	769
Sunflower Appeal	4,109	6,912
Hospice at Home Appeal	-	1,960
Miscellaneous	9,339	5,998
	<u>44,434</u>	<u>43,268</u>

TREETOPS HOSPICE TRUST GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1997

9. SDHA CONTRACTS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Day Care and Home Sitting Service	96,564	97,000
Hospice at Home	30,000	30,000
	<u>126,564</u>	<u>127,000</u>

10. TANGIBLE ASSETS – GROUP

	<u>Fixtures and Fittings</u>	<u>Office Equipment</u>	<u>Freehold Property</u>	<u>Motor Vehicle</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>		<u>£</u>
<u>Cost</u>					
Beginning of Year	35,667	10,232	324,533	12,163	382,595
Additions	6,455	4,682	8,523	-	19,660
End of Year	<u>42,122</u>	<u>14,914</u>	<u>333,056</u>	<u>12,163</u>	<u>402,255</u>
<u>Depreciation</u>					
Beginning of Year	17,406	3,304	-	3,041	23,751
Charge for Year	3,979	1,741	-	2,281	8,001
End of Year	<u>21,385</u>	<u>5,045</u>	<u>-</u>	<u>5,322</u>	<u>31,752</u>
<u>Written Down Values</u>					
End of Year	<u>20,737</u>	<u>9,869</u>	<u>333,056</u>	<u>6,841</u>	<u>370,503</u>
Beginning of Year	<u>18,261</u>	<u>6,928</u>	<u>324,533</u>	<u>9,122</u>	<u>358,844</u>

TANGIBLE ASSETS – TRUST

	<u>Fixtures and Fittings</u>	<u>Office Equipment</u>	<u>Freehold Property</u>	<u>Motor Vehicle</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>		<u>£</u>
<u>Cost</u>					
Beginning of Year	35,667	10,232	324,533	12,163	382,595
Additions	3,750	4,682	8,523	-	16,955
End of Year	<u>39,417</u>	<u>14,914</u>	<u>333,056</u>	<u>12,163</u>	<u>399,550</u>
<u>Depreciation</u>					
Beginning of Year	17,406	3,304	-	3,041	23,751
Charge for Year	3,302	1,741	-	2,281	7,324
End of Year	<u>20,708</u>	<u>5,045</u>	<u>-</u>	<u>5,322</u>	<u>31,075</u>
<u>Written Down Values</u>					
End of Year	<u>18,709</u>	<u>9,869</u>	<u>333,056</u>	<u>6,841</u>	<u>368,475</u>
Beginning of Year	<u>18,261</u>	<u>6,928</u>	<u>324,533</u>	<u>9,122</u>	<u>358,844</u>

TREETOPS HOSPICE TRUST GROUP
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

10. TANGIBLE ASSETS - TRUST (cont)

The Freehold Property comprises the building and grounds known as "Treetops Hospice"

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Initial Costs	260,964	260,964
Subsequent Improvements	72,092	63,569
	<u>333,056</u>	<u>324,533</u>

The net book value at 31 March 1997 represents fixed assets used for:

	<u>Fixtures and Fittings</u>	<u>Office Equipment</u>	<u>Freehold Property</u>	<u>Motor Vehicle</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>		<u>£</u>
Direct charitable purposes:					
Daycare	17,832		280,556		298,388
Other purposes:					
Fund Raising and Publicity	2,028			6,841	8,869
Management and Administration of the Charity	877	9,869	52,500		63,246
	<u>20,737</u>	<u>9,869</u>	<u>333,056</u>	<u>6,841</u>	<u>370,503</u>

11. INVESTMENTS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Wholly owned subsidiary	<u>10,000</u>	<u>-</u>

12. DEBTORS

	<u>Group</u>		<u>Trust</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Service Debtors	109	-	109	1,109
Treetops Funding Limited	-	-	34,026	-
Other Debtors (eg prepayments)	13,368	-	13,368	5,792
Tax on Covenants	690	-	690	1,240
	<u>14,167</u>	<u>-</u>	<u>48,193</u>	<u>8,141</u>

TREETOPS HOSPICE TRUST GROUP
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Trust</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade Creditors	12,213	-	9,288	5,179
Other Creditors				
(Including Tax and Social Security)	43,145	-	25,592	19,083
Bank Overdraft	889	-	889	-
Trustee's Loans	11,500	-	11,500	-
	<u>67,747</u>	<u>-</u>	<u>47,269</u>	<u>24,262</u>

14. COMMITMENTS

The Trust had the following commitments at the year end:

a) Lease Commitment

The Trust has a commitment on the Long Eaton shop which is due to expire on 24th June 2003. Under the terms of the lease, the Trust is liable for annual rental payments of £3,750 until the agreed date for a rent review. The future dates for rent reviews are 24th June 1997 and 24th June 2000. The commitment to the lease is guaranteed by two trustees.

b) Pension Commitments

Under arrangements in existence at the year end the Trust is liable for annual pension contributions of £8,050.

15. LIMITED LIABILITY

The Hospice is limited by guarantee and every member undertakes to contribute such an amount, not exceeding one pound, as may be required in the event of the charity being wound-up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company.

17. TRANSACTIONS WITH TRUSTEES

Loans from Trustees

The company had the following transactions with its trustees during the year:

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Balance, beginning of year	-	-
Advances	11,500	-
Balance, end of year	<u>11,500</u>	<u>-</u>

The loans are mainly non-interest bearing, unsecured and repayable within nine month of receipt.