

TREETOPS HOSPICE TRUST

Annual Report and Consolidated Accounts



Year ended 31 March 2005

Charity Number: 519540

Company Number 1801708



Treetops Hospice Trust

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Trustees' Report

1 Legal and administrative information

Trustees

Mr G Saville, Chairman *
Mr J Griffiths, Vice Chairman
Mr W Baxendale-Baines
Mr J Carter *
Dr J Dornan #
Mr J Eagle #
Mr M Fox #
Dr H Godridge #
Mrs J Heath # Chair, Clinical Services Sub-Committee
Mr P Kerry
Mr M O'Brien, Treasurer (Appointed as a Trustee 25/05/04) *
Mr P Stewart *
Mrs P Thomson (Retired 20/09/04)
Mr R Webster *

Note – The Chairman was also Chair of the Finance & Income Generation Sub-Committee.

Member of the Clinical Services Sub-Committee

* Member of the Finance & Income Generation Sub-Committee

Chief Executive

Ms C Janes

Company Secretary

Mr R Thomas

Registered Office

Treetops Hospice, Derby Road, Risley, Derby, DE72 3SS

Auditors

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

Bankers

Barclays Bank plc, P O Box 18, Old Market Square, Nottingham, NG1 6FF

Solicitors

Ellis Fermor and Negus – 2 Devonshire Avenue, Beeston, Nottingham NG9 1BS

2 Report of the trustees for year ended 31 March 2005

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2005. The Trustees have adopted the provisions of the Statement of Recommended practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee and was set up on 20 March 1984 under the name Draycott Hospice Association. The name of the company was changed to Treetops Hospice Trust on 21 June 1993. It is governed by a memorandum and articles of association, which were last amended on 17 June 2002. This latest amendment reduced the maximum number of Trustees from 20 to 15 and provided for all Trustees to sit on the Board. The Executive Committee was replaced by the Clinical Services Sub-Committee and the Fundraising Committee by the Finance & Income Generation Sub-Committee.

The objects of the charity are to provide palliative care to adults with life limiting illnesses living in Southern Derbyshire and the Nottinghamshire borders. All services are provided free of charge at point of delivery.

These objects are met by providing the following services:

- **Day Care Provision**
- Bereavement Support
- Complementary Therapy
- Hospice at Home
- Volunteer Home Sitting
- Carer Support

2.1 Review of activities and future developments

The Statement of Financial Activities for the year is on page 14 of the audited accounts. A summary of financial results and the work of the charity is set out below.

2.2 Income Generation

The charity's gross income increased from £836,241 to £1,138,158. The growth of £301,917 was due to developments in specific areas. Statutory funding increased by £42,162 and there was legacy income of £65,000. An overall improvement in gross income totalling £83,802 can be seen in the Lottery, Retail and Catering departments. The bulk of the balance of £110,953 comes from the Ripple Appeal for the new building, which raised £103,007 in 2004/5.

2.3 Investment Policy and returns

The Charity's liquid assets are held solely in interest bearing investment accounts and it does not have any investments, other than the £10,000 invested in Treetops Funding Limited and £1,000 in Treetops Retail Limited. The amount of interest received increased by £2,491 to £6,830.

2.4 Fundraising

The Trustees would like to remind readers that the figure for the cost of generating funds now includes the full costs of Treetops Funding Limited and Treetops Retail Limited, for example the cost of Lottery prize money at £72,200. A Fundraising Manager was appointed in the summer of 2004 and it is expected that reliable income streams will be developed significantly in 2005-2006.

2.5 Resources expended on services

Hospice at Home

Caring for someone at home, 24 hours a day is both physically and mentally exhausting. Very often patients have to be admitted to hospital, or hospice, because the family or carers can no longer cope. By providing extra care and support in the home it is possible to alleviate some of the strain and allow the patient to remain at home, if that is their wish and to die in the place of their choice.

A team of qualified nurses and experienced health care assistants is available 24 hours a day, 365 days a year. This service, managed by the Clinical Nurse Specialist, provides skilled, high quality care to the terminally ill, support and respite for families and aims to help patients achieve a dignified and well-managed death at home.

During 2004-2005 we have not only experienced a significant increase in both referral rates and Hospice at Home provision of hours, but also a growing trend of caring for patients with more acute nursing needs.

The significant increase seen in 2003-2004 has continued into 2004-2005 when 374 patients received a total of 12,748 hours of care and 1,981 nurse visits.

These figures show an increase in activity of 38% in the number of patients receiving care and 26% in the number of hours of care.

The increased service provision is reflected in the cost of providing the Hospice at Home service and totalled £260,612.

For 2005-2006 there are no plans to extend the Hospice at Home service any further but to concentrate on ensuring our agreed service level agreements of 14,033 hours for Southern Derbyshire and 1,595 hours for Nottingham are met. This totals 15,628 hours, an increase of 2,880 hours on 2004-2005.

Day Care Services

Day Care gives people with terminal illnesses the opportunity to meet other people, in similar situations, in a secure, caring environment. The aim of Day Care is to improve the patient's quality of life, wherever possible, by providing skilled, high quality care with particular regard to managing physical symptoms and meeting psychosocial and spiritual needs. A change of environment, social stimulation and activities, appropriate to each individual, are integral parts of the service.

To ensure patients' needs are met Day Care offers: -

- Nursing and personal care, including bathing, hair and nail care
- Physiotherapy
- Chiropody

Day Care Services *continued*

- Diversional activities e.g. arts/crafts, games, music, quizzes
- Chaplaincy Services
- Mid-day meal
- Individual counselling
- Massage and aromatherapy
- Palliative Care Consultant holds weekly clinic to advise on symptom control
- Creative Therapy

The past year has seen a significant increase in day care attendances due to the introduction of a short notice system offering additional day-care provision for guests who have the ability to attend at short notice for extra days.

On the basis of the above figures we have calculated that for 2005-2006 we will need to overbook by 20% to achieve an actual attendance rate that more closely matches the number of potential places available.

Staff skill mix has also been addressed. We have recently appointed a third Staff Nurse to the Day-care unit to work over three days a week. This post has replaced a retired Health Care Assistant. With this increase in qualified staff on the unit we will be able to support our Monday morning outpatient clinic and provide increased qualified staff support in the overall nursing needs of guests attending the unit.

We have seen an increase in activity in the Day-care unit during 2004-2005, but a small decrease in referrals.

Over the 12 months of this report the total number of actual attendances was 1,832, an increase of 19% on 2003-2004. Day care is the busiest it has ever been and shows that more people are hearing about the services Treetops offers. It also reflects the work of staff in making greater contact with local GP's and District Nurses.

The cost of providing the Day Care Service, including the Carer's Group and Complementary Therapy was £178,908.

Our main emphasis for the Day-care unit in the coming year will be to meet both Nottingham and Southern Derbyshire Service Level agreements and through increased promotion of the Day-care unit it is planned that we will see an increase in referral rates.

Creative Therapy

Creative Therapy was introduced one day per week in 2004, following a successful application to the Arts Council for funding and increased to four days per week in August 2005. Work produced by our Thursday guests involved in the 'MOMENT OF JOY' project has recently had a successful tour of local libraries and galleries. In support of this important aspect of service provision we have recruited a team of craft volunteers to support in the varied activities that are offered to guests in Day-care. Plans for a further Creative Art exhibition are in process. This next project will be a group reminiscence activity.

Day Care Services *continued*

Outpatient Clinic

We have hosted an outpatient clinic for the Derbyshire Nightingale Macmillan Unit since September 1992. The consultant continues to hold a palliative care clinic at Treetops Hospice on a Monday.

These clinics enable patients who require specialist palliative outpatient care to attend at a venue closer to home and with easier access than their local Cancer Centres. The clinics have continued to be well utilised and patients who attend are made up from either direct referrals from Derbyshire or Nottinghamshire hospitals or existing Treetops guests.

There were 35 clinics held in 2004-2005 with 147 attendances.

During the last 12 months we have increased the clinic from once a fortnight to once weekly at the Consultant's request. We are presently introducing the facility for treatment for bone pain via intravenous infusion, and will be altering the timing of clinic from a morning to an afternoon. This change will accommodate the collection of prescribed drugs from the Derbyshire Royal Infirmary pharmacy department for planned treatment.

At present our Clinical Nurse Specialist (C.N.S.) supports the outpatient clinic doctor. With the change in skill mix it is intended to rotate the day-care unit staff nurses through the clinic to allow the C.N.S. to be available for our Hospice at Home service and to develop training programmes. Staff nurses will be inducted into the clinic by shadowing the C.N.S. and having time at the end of the clinic to talk through any plan of action or liaison required with other health care professionals. The rotation of day care unit staff nurses will additionally give them the opportunity to increase their knowledge re symptom management of patients with palliative care needs.

Carers' Group

At this monthly group carers give each other support and benefit from the opportunity to concentrate on meeting their own needs. The Carers' Group is run by volunteers under the supervision of the Day care Unit Manager who provides specialist advice. It is available to any person caring for someone who receives services from Treetops Hospice.

In respect of developments we have seen an introduction of an additional monthly carers group to a once fortnightly meeting. This has been well received with some carers choosing to attend fortnightly and others having the choice of two meetings per month.

In 2005-2006 it is planned to introduce a study day to address practical care issues for carers.

The cost of the Carer's Group was £2,949 with over 100 attendances. This includes an apportionment of the Day Care Unit Manager's salary.

Bereavement Support Service

Whilst bereavement is almost invariably a very sad and often emotionally painful and draining experience it is a natural process and many people would not want any intervention from anybody other than friends and relatives. For some people, however, it is known that help from outside the family is beneficial. Pre and post bereavement support is offered to relatives and carers of patients who received care from Treetops Hospice, either in Day care or at home. The service is managed by a Counsellor who works with a large, specially trained, volunteer support team who, in addition to providing support sessions for individual clients, assist the Counsellor in contacting all families following their bereavement by letter and telephone calls. A member of the volunteer Bereavement Support Team also assists the Counsellor to provide training and education services.

Trustees' Report *continued*

Bereavement Support Service *continued*

Bereavement care offered includes: -

- Regular telephone contact by nursing staff
- Assessment visits by a trained Counsellor
- Weekly home support visits by volunteers or the qualified Counsellor
- Monthly Bereavement Support Group meetings at Treetops Hospice

In 2004/2005 we have seen a 37% increase in Bereavement Support contact hours to 535 hours. Outside bereavement referrals are up by 40% to 14 and there has been further training for the Bereavement Support Volunteers. The three-day per week Bereavement Project, reported last year, identifying Bereavement Support Services across the whole of Southern Derbyshire on behalf of the Derby Burton Cancer Network has been very successful. The project is being 100% funded by the Network and will be concluded in February 2006.

The cost of providing the Bereavement Service and facilitating year one of the Network Project was £42,427.

Complementary Therapy Service

Complementary Therapies are available to both carers and patients. Their feedback tells us it helps them cope with their illness more effectively and feel more relaxed. Fully qualified therapists offer aromatherapy, reflexology, Reiki and Indian head and shoulder massage. Referrals are taken from health care professionals, patients and carers. In 2004-2005, 98 people received 522 sessions of Complementary Therapy, an increase in activity of 44%.

The cost of providing the Complementary Therapy Service was £8,653.

Volunteer Services

All of our services are supported and enriched by volunteers. For example, volunteers provided a Home Sitting Service, working alongside our Hospice at Home nurses. This team of stringently selected volunteers support patients at home where they do not require the services of a qualified nurse.

A team of volunteers bring patients to and from Day Care. The first person that greets any visitor to the Hospice will be a reception volunteer. More volunteers help create the warm, cheerful atmosphere within Day Care and ensure each guest gains individual attention.

Volunteers organise the Carers Group and there are 14 Bereavement Support Group Volunteers who receive extended Bereavement Training of six weeks.

The Volunteer Services Manager ensured all our 385 volunteers were trained for their specific roles. Courses included Food and Hygiene for kitchen volunteers, communication skills for Bereavement Support volunteers and Manual Handling for transport volunteers helping fragile patients in and out of cars.

The cost of providing these volunteer services was £46,290.

2.6 Treetops Funding Limited and Treetops Retail Limited

In April 2003 Treetops Retail Limited was created for the Retail Shops and Catering Operation. The company is VAT registered. Treetops Funding Limited now operates the Treetops Hospice Lottery only.

The charity's wholly owned trading subsidiaries carry out non-charitable trading activities for the charity. During the year the funding and retail companies made gift-aid payments of £98,648 transferring all their taxable profits to the charity, an increase of 18% on 2003-2004. The Trustees, having set a funding strategy for a five-year period from 2003 – 2008 are investing heavily in the development of both companies in order to increase the overall Hospice revenue income to an anticipated level of £1million by 2008.

2.7 Reserves

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a free reserve equivalent of between three and nine months of direct charitable expenditure should be held. As can be seen from the financial statements the total net current assets of the Hospice stood at £135,048 as at 31 March 2005, of this figure £57,040 are available funds, the balance of £78,008 being the ring fenced income from the Ripple Appeal.

2.8 Ripple Appeal

In 2003 the Trustees agreed to launch a Capital Appeal under the name of the Ripple Appeal to raise funds for the building of new stand-alone extension to the present premises. The extension will provide a purpose built Day Care Unit on the ground floor and education facilities and clinical office space on the first floor. At the end of the financial year 2004-2005 funds stood at £78,008. This money is ring fenced for the purpose identified.

2.9 Changes in Tangible (Fixed) Assets

The movements in fixed assets during the year are set out in note 11 to the financial statements. The Trustees do not regard these assets as making up any part of the charity's free reserves as these assets, for example the Hospice building, are essential for the continued operation of the charity.

3.0 Governance and Internal Control

The overall responsibility for the affairs of Treetops Hospice rests with the Trustees. The Trustees are members of the company who have been elected to the Board of Trustees at the Annual General Meeting. There are 45 members of the Company of whom up to 15 can be Trustees. As at 31 March 2005 there were 13 Trustees in post.

The Board of Trustees meets bi-monthly. It has responsibility for the whole of operation of Treetops Hospice and receives the Chief Executive's report.

Trustees' Report *continued*

The Board has set up two sub-committees to deal in greater detail with specific areas:

1. Clinical Services Sub-Committee, which receives reports from the Clinical Services Manager and has overall responsibility for Clinical Governance.
2. Finance & Income Generation Sub-Committee, which receives reports from the Administrative Manager regarding the overall financial position of the Hospice. The Company Secretary is the secretary to each of these committees.

Detailed policies on all aspects of operational matters have been updated. In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. All policies have been reviewed in light of the Care Standards Act and registration requirements.

The Hospice is also subject to external audits and inspections that include:

- Health Care Commission - Day Care Unit successfully inspected
- Health Care Commission - Hospice at Home successfully inspected

As of 2005 there will be a joint inspection of both services under one registration.

The Trustees have continued the process of risk identification, assessment and management. In December 2004 the trustees agreed a Risk Management Policy in order to carry out an organisational risk assessment. This has yet to be completed. A full risk assessment has been carried out for the New Care and Education Centre project.

3.1 Staff Structure

The Senior Management Team led by the Chief Executive comprises the following staff:

Clinical Services Manager: Responsible for all the services provided by the Hospice.

Clinical Nurse Specialist: Responsible primarily for the Hospice at Home service. There are 27 part time Hospice at Home Nurses and Health Care Assistants. This appointment has provided a valuable source of clinical expertise for our patients, carers and other health professionals involved with patients under the care of Treetops Hospice.

Day Care Unit Manager: Responsible for Day Care, Complementary Therapy and the Carers Group. There are three part time Day Care Nurses, one part time Health Care Assistants and a part time Creative Therapist.

Volunteer Services Manager: Responsible for the management of one assistant and 385 volunteers who support every aspect of the Hospices' work. Also the **Competent Person** responsible for **Health and Safety** issues relating to the whole organisation.

Lottery Manager: Responsible for Treetops Lottery and managing a team made up of two part time assistants, one canvasser and two part time collectors.

Trustees' Report *continued*

Administrative Manager: Responsible for Administration, Accounts, Buildings and Grounds and managing a part time Accounts Clerk, a part time general office assistant, a part time Gardener, a part time Driver/Steward and two part time Cleaners.

Fundraising Manager: Responsible for raising funds through events, appeals and other projects and managing one part time Events Co-ordinator and one part time fundraising assistant.

Retail Co-ordinator: Responsible for all eight Treetops shops and also for developing the whole retail operation at the Hospice and managing the part time van driver and two shop managers.

Catering Manager: Responsible for the Coffee Bars at Nottingham and Ilkeston Magistrates Courts, also the provision of food at the Hospice and managing the Hospice Cook.

3.2 Volunteers' work and other intangible income

The number of volunteers totalled 385 in 2004/2005; the financial value of the volunteers' input is estimated to be over £900,000 per annum. They provided a total of 112,159 hours of volunteer service.

During 2004/2005:

- 60 volunteers in Day Care including volunteer therapists
- 47 Drivers
- 25 Kitchen
- 26 Reception
- 18 Home Sitting
- 14 Bereavement Support
- 34 volunteers in the Clerical and Fundraising Office.
- 40 volunteers in Hospice Support Groups and organising fundraising events
- 175 volunteers staff the Hospice Shops
- 36 Court Volunteers (Catering Operation)

All volunteers receive induction and training for their area of work and an assessment is made as to their suitability for working with patients where applicable. Two references are taken and for volunteers working with patients, a General Practitioner reference is required as is an enhanced Criminal Records Bureau check. Many volunteers work in more than one area of the Hospice.

Regular Volunteer Support Group and supervision meetings are held on a regular basis.

Other intangible income includes:

- Lord Ralph Kerr, President of Treetops Hospice, provides a premises rent-free in the courtyard of Melbourne Hall, for one of the seven Treetops Hospice Shops
- Two other landlords provide premises for the shops at below the market rent.
- Almost all items sold in the Hospice Shops are donated

Trustees' Report *continued*

4 Trustees and their responsibilities

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

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 these 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

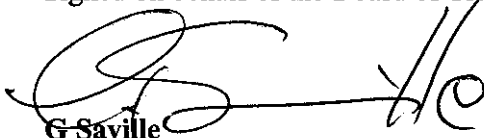
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust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

5 Auditors

Messrs Johnson, Murkett & Hurst offer themselves for re-election as Auditors at the next Annual General Meeting.

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

Signed on behalf of the Board of Trustees



G Saville
Chairman



M O'Brien
Treasurer

Approved by the Board on: 26th July 2005

TREETOPS HOSPICE TRUST
INDEPENDENT AUDITORS REPORT TO THE MEMBERS
YEAR ENDED 31 MARCH 2005

We have audited the financial statements on pages 13 to 22, which have been prepared under the historical cost convention and the accounting policies, set out on pages 15 to 16.

The report is made solely to the trust's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the trust's members those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the trust's members as a body for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

As described on page 1, the company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements of the United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the trustees report and consider the implications for our report if we become aware of any apparent misstatements within it.

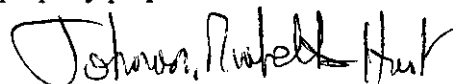
BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, 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 financial statements 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the charity and group as at 31 March 2005 and of the group's incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Date:

18 October 2005

Johnson, Murkett and Hurst
Chartered Accountants and Registered Auditors
Ashby de la Zouch
Leicestershire

TREETOPS HOSPICE TRUST

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2005

		Group		Trust	
	<u>Notes</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Tangible assets	11	377,923	369,508	368,604	365,177
Investments	12	-	-	11,000	11,000
		<u>377,923</u>	<u>369,508</u>	<u>379,604</u>	<u>376,177</u>
CURRENT ASSETS					
Stocks		3,045	5,441	1,494	2,000
Debtors	13	20,719	28,344	15,499	31,091
Cash in Bank and in Hand		194,207	152,441	130,612	112,659
		<u>217,971</u>	<u>186,226</u>	<u>147,605</u>	<u>145,750</u>
CREDITORS: Amounts falling due within one year	14	82,923	66,960	70,857	56,520
NET CURRENT ASSETS		<u>135,048</u>	<u>119,266</u>	<u>76,748</u>	<u>89,230</u>
NET ASSETS		<u>512,971</u>	<u>488,774</u>	<u>456,352</u>	<u>465,407</u>

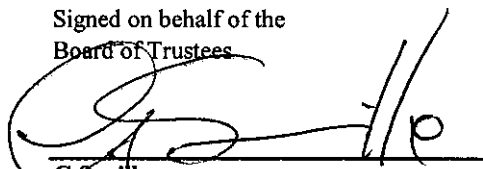
CAPITAL FUNDS

Restricted Funds	16	102,189	41,961	102,189	41,961
Unrestricted Funds	17	410,782	446,813	354,163	423,446
		<u>512,971</u>	<u>488,774</u>	<u>456,352</u>	<u>465,407</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

The financial statements on pages 13 to 22 were approved by the trustees on 26th July 2005.

Signed on behalf of the
Board of Trustees


G Saville
Chairman

Date

26/7/2005


M O'Brien
Treasurer

Date

26/7/2005

The notes on pages 15 to 22 form part of these accounts.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2005

		<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
		<u>Funds</u>	<u>Funds</u>		
	<u>Notes</u>	<u>2005</u>	<u>2005</u>	<u>2005</u>	<u>2004</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
INCOMING RESOURCES					
Donations and Gifts	8	-	83,333	83,333	71,741
Ripple Appeal for new building	16	103,007	-	103,007	25,250
Daycare Refurbishment Appeal	16	10,644	-	10,644	-
Legacies and bequests	8	-	65,000	65,000	-
Charitable Trusts and Industry	8	-	26,904	26,904	35,818
Incoming resources from operating activities:					
<i>Activities in furtherance of the charity's objects</i>					
Contracts for Services	9	-	271,827	271,827	229,665
Other Income	10	-	16,865	16,865	6,144
<i>Activities for generating funds</i>					
Events and General Activities	8	-	107,319	107,319	103,378
Hospice Lottery Income	3	-	181,276	181,276	175,409
Shop Sales	3	-	213,162	213,162	132,473
Catering	3	-	49,270	49,270	52,024
Other Income	3	-	2,721	2,721	-
Investment Income		-	6,830	6,830	4,339
		<u>113,651</u>	<u>1,024,507</u>	<u>1,138,158</u>	<u>836,241</u>
RESOURCES EXPENDED					
Cost of generating funds					
Fund raising costs	4	-	460,294	460,294	347,679
Charitable expenditure					
5					
Costs of activities in furtherance of the charity's objects:					
Services Provided		49,138	487,047	536,185	370,036
Support Costs		4,285	76,655	80,940	54,366
Administration of the Charity		-	36,542	36,542	43,544
		<u>53,423</u>	<u>600,244</u>	<u>653,667</u>	<u>467,946</u>
TOTAL RESOURCES EXPENDED		<u>53,423</u>	<u>1,060,538</u>	<u>1,113,961</u>	<u>815,625</u>
NET INCOMING RESOURCES / NET INCOME FOR THE YEAR					
		60,228	(36,031)	24,197	20,616
FUND BALANCES					
As at 31 March 2004		41,961	446,813	488,774	468,158
FUND BALANCES					
As at 31 March 2005	16,17	<u>102,189</u>	<u>410,782</u>	<u>512,971</u>	<u>488,774</u>

CONTINUING OPERATIONS

None of the Trust's activities were acquired or discontinued during the above two financial years.

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.

The notes on pages 15 to 22 form part of these accounts.

TREETOPS HOSPICE TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 MARCH 2005

1 ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting statements and the Charities Accounting Statement of Recommended Practice (SORP, "Accounting and Reporting by Charities" published in October 2000.

The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis

The charity has availed itself of paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

b) Company status

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.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds, which are used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, these are not included until the date of receipt.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity when this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers

TREETOPS HOSPICE TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 MARCH 2005

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of a head count.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support cost are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out. Management and administrations costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

f) 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:

Leasehold Property	- 2% reducing balance
Fixtures and Fittings	- 15% reducing balance
Office Equipment	- 15% reducing balance
Freehold Buildings	- equal annual instalments over estimated life

g) Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

h) Pension costs

Contributions in respect of the Hospice's defined contributions pension schemes are charged to the SOFA for the year in which they are payable to the scheme.

i) Operating Leases

Rental 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.

2. MOVEMENT IN TOTAL FUNDS FOR THE YEAR

This is stated after charging:-

	Group		Trust	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Depreciation	16,740	13,402	13,634	11,755
Auditors' Remuneration	7,009	6,766	3,143	2,997

TREETOPS HOSPICE TRUST
NOTES ON THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

3. NET INCOME FROM TRADING ACTIVITIES OF THE SUBSIDIARIES

The charity has two wholly owned subsidiaries, which are incorporated in the UK, Treetops Funding Limited and Treetops Retail Limited. The companies gift their taxable profits to Treetops Hospice Trust under the Gift Aid provisions. A summary of the trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

Profit and Loss Account	Retail 2005 £	Funding 2005 £	Total 2005 £	2004 £
Hospice Lottery receipts	-	181,276	181,276	175,409
Shop sales	213,162	-	213,162	132,473
Catering	49,270	-	49,270	52,024
	<u>262,432</u>	<u>181,276</u>	<u>443,708</u>	<u>359,906</u>
Prizes	-	(72,200)	(72,200)	(72,204)
Cost of shop sales	(12,737)	-	(12,737)	(7,959)
Catering supplies	(22,971)	-	(22,971)	(23,199)
	<u>226,724</u>	<u>109,076</u>	<u>335,800</u>	<u>256,544</u>
Administration	(165,309)	(74,698)	(240,007)	(168,370)
	<u>61,415</u>	<u>34,378</u>	<u>95,793</u>	<u>88,174</u>
Donations	-	2,721	2,721	801
Interest received	-	134	134	91
	<u>61,415</u>	<u>37,233</u>	<u>98,648</u>	<u>89,066</u>

4. COST OF GENERATING FUNDS	2005 £	2005 £	2005 £	2004 £
Hospice Lottery Prizes	-	72,200	72,200	72,204
Shop Cost of Sales	12,737	-	12,737	7,959
Catering	22,971	-	22,971	23,199
Subsidiary's Administration	165,309	74,698	240,007	168,370
Event Costs	-	37,935	37,935	22,918
Fund Raising Staff Costs	-	52,350	52,350	41,461
Fund Raising Costs	-	22,094	22,094	11,568
	<u>201,017</u>	<u>259,277</u>	<u>460,294</u>	<u>347,679</u>

5. CHARITABLE EXPENDITURE

Year to 31 March 2005	Staff Costs £	Other £	Depreciation £	Total £
Direct Charitable Expenditure				
Day-care	124,687	47,396	6,825	178,908
Volunteers	35,037	11,253	-	46,290
Hospice @ Home	230,920	29,692	-	260,612
Bereavement	30,268	12,159	-	42,427
Support Costs	24,993	49,138	6,809	80,940
Other:-				
Training	-	7,948	-	7,948
Administration of the Charity	21,014	15,528	-	36,542
	<u>466,919</u>	<u>173,114</u>	<u>13,634</u>	<u>653,667</u>
Year to 31 March 2004	<u>347,928</u>	<u>108,059</u>	<u>11,959</u>	<u>467,946</u>

TREETOPS HOSPICE TRUST
NOTES ON THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

6 STAFF COSTS AND TRUSTEES REMUNERATION

No employee earned more than £50,000 per annum (2004 - nil).
The trustees were not paid during the year.

STAFF NUMBERS	<u>2005</u>	<u>2004</u>
The whole time equivalent of employees was:-		
Direct Charitable	22	19
Fund Raising and Publicity	7	4
Management and Administration	3	3
	<u>32</u>	<u>26</u>

7. TAXATION

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

8. DONATIONS, BEQUESTS, SPONSORSHIPS AND FUNDRAISING ACTIVITIES

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Donations and Sponsorships	83,333	71,741
Legacies and bequests	65,000	-
Income From Charitable Trusts and Industry	26,904	35,818
	<u>175,237</u>	<u>107,559</u>
Other Fundraising Activities	<u>107,319</u>	<u>103,378</u>

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

Other Fundraising Activities comprise the following:

General Purposes:	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Support Group Donations From Organised Events	4,635	7,843
Income From Other Clubs and Organisations	6,858	12,312
Xmas Appeal	24,872	22,638
Car Boot Sales	10,774	10,741
Light up a Life	10,503	8,960
Trustee Events	2,796	13,294
Friends of Treetops	930	1,200
Easter Appeal	13,731	5,750
Recycling	2,181	2,209
Prize Draw	18,944	9,913
Hospice Events	7,764	7,208
Miscellaneous	3,331	1,310
	<u>107,319</u>	<u>103,378</u>

TREETOPS HOSPICE TRUST
NOTES ON THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

9. CONTRACTS	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Greater Derby P.C.T.	145,375	141,141
Derby Burton Cancer Network	112,394	82,069
Rushcliffe P.C.T.	14,058	6,455
	<u>271,827</u>	<u>229,665</u>

10. OTHER INCOME	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Education	4,748	1,618
Meals and Refreshments	4,500	3,690
Trustee Membership Fees	480	410
NHS Pension Rebate	7,101	-
Miscellaneous Income	36	426
	<u>16,865</u>	<u>6,144</u>

11a. TANGIBLE ASSETS - GROUP

	<u>Fixtures and Fittings</u>	<u>Office Equipment</u>	<u>Leasehold & Freehold Property</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost				
Beginning of Year	55,911	44,032	361,466	461,409
Additions	14,381	10,775	-	25,156
End of Year	<u>70,292</u>	<u>54,807</u>	<u>361,466</u>	<u>486,565</u>
Depreciation				
Beginning of Year	38,730	23,520	29,652	91,902
Charge for Year	4,734	5,935	6,071	16,740
End of Year	<u>43,464</u>	<u>29,455</u>	<u>35,723</u>	<u>108,642</u>
Written Down Values				
End of Year	<u>26,828</u>	<u>25,352</u>	<u>325,743</u>	<u>377,923</u>
Beginning of Year	<u>17,181</u>	<u>20,513</u>	<u>331,814</u>	<u>369,508</u>

TREETOPS HOSPICE TRUST
NOTES ON THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

11b. TANGIBLE ASSETS - TRUST

	<u>Fixtures and Fittings</u> <u>£</u>	<u>Office Equipment</u> <u>£</u>	<u>Leasehold & Freehold Property</u> <u>£</u>	<u>Total</u> <u>£</u>
Cost				
Beginning of Year	55,911	34,752	361,466	452,129
Additions	14,381	2,680	-	17,061
End of Year	<u>70,292</u>	<u>37,432</u>	<u>361,466</u>	<u>469,190</u>
Depreciation				
Beginning of Year	38,730	18,570	29,652	86,952
Charge for Year	4,734	2,829	6,071	13,634
End of Year	<u>43,464</u>	<u>21,399</u>	<u>35,723</u>	<u>100,586</u>
Written Down Values				
End of Year	<u>26,828</u>	<u>16,033</u>	<u>325,743</u>	<u>368,604</u>
Beginning of Year	<u>17,181</u>	<u>16,182</u>	<u>331,814</u>	<u>365,177</u>

The Trustees are of the opinion that the market value of the Freehold property is in excess of its carrying value. However, it is considered impractical to quantify this excess.

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

	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
Initial Costs	260,964	260,964
Subsequent Improvements to Freehold Property	96,660	96,660
Leasehold Property	<u>3,842</u>	<u>3,842</u>
	<u>361,466</u>	<u>361,466</u>

The group net book value at 31 March 2005 represents fixed assets used for:

	<u>Fixtures and Fittings</u> <u>£</u>	<u>Office Equipment</u> <u>£</u>	<u>Leasehold & Freehold Property</u> <u>£</u>	<u>Total</u> <u>£</u>
Direct charitable purposes:				
Day-care	18,622	1,645	172,592	192,859
Other purposes:				
Fund Raising and Publicity	-	9,319	-	9,319
Management and Administration of the Charity	8,206	14,388	153,151	175,745
	<u>26,828</u>	<u>25,352</u>	<u>325,743</u>	<u>377,923</u>

TREETOPS HOSPICE TRUST
NOTES ON THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

12. INVESTMENTS	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Wholly owned subsidiaries	<u>11,000</u>	<u>11,000</u>

13. DEBTORS	Group		Trust	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Service Debtors	442	-	413	-
Tax Refund	-	9,883	-	9,883
Inter Company	-	-	-	9,738
Other Debtors (e.g. prepayments)	<u>20,277</u>	<u>18,461</u>	<u>15,086</u>	<u>11,470</u>
	<u>20,719</u>	<u>28,344</u>	<u>15,499</u>	<u>31,091</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group		Trust	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade Creditors	26,084	14,756	18,241	13,718
PAYE and NIC	13,576	10,395	13,576	10,395
Pension	2,123	1,167	2,123	1,167
Accruals	12,213	11,270	7,998	6,240
Inter Company	-	-	3,919	-
Lottery Receipts in advance	28,927	29,372	-	-
Loan from Subsidiary	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
	<u>82,923</u>	<u>66,960</u>	<u>70,857</u>	<u>56,520</u>

15. TRUSTEES AND CONNECTED PERSONS

During the year there were no contracts between the trustees and connected persons, nor did any trustee or connected person receive any remuneration or expenses either directly or indirectly.

TREETOPS HOSPICE TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2005

16. RESTRICTED FUNDS

	Ripple Appeal for new building	Replacement Windows	Equipment
Balance at 1 April 2004	24,040	16,762	1,159
Donations	103,007	-	-
	<u>127,047</u>	<u>16,762</u>	<u>1,159</u>
Costs	(49,138)	-	-
Depreciation	-	(2,514)	(174)
Balance at 31 March 2005	<u>77,909</u>	<u>14,248</u>	<u>985</u>

	Daycare Refurbishment	Total
Balance at 1 April 2004	-	41,961
Donations	10,644	113,651
	<u>10,644</u>	<u>155,612</u>
Costs	-	(49,138)
Depreciation	(1,597)	(4,285)
Balance at 31 March 2005	<u>9,047</u>	<u>102,189</u>

Represented By:-	Cash at Bank	Fixed Assets	Total
Ripple Appeal	77,909	-	77,909
Replacement Windows	-	14,248	14,248
Equipment		985	985
Day Care Appeal	2,297	6,750	9,047
	<u>80,206</u>	<u>21,983</u>	<u>102,189</u>

17. UNRESTRICTED FUNDS

	Total
Balance at 1 April 2004	446,813
Movements in funds	(36,031)
Balance at 31 March 2005	<u>410,782</u>

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General Fund	Restricted Funds	Total
Tangible fixed assets	355,940	21,983	377,923
Cash at bank and in hand	114,001	80,206	194,207
Other net current assets	(59,159)	-	(59,159)
	<u>410,782</u>	<u>102,189</u>	<u>512,971</u>

TREETOPS HOSPICE TRUST
OPERATIONAL INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004	
	£	£	£	£
INCOME		636,644		529,599
Other Income				
Interest Income		<u>6,696</u>		<u>4,248</u>
		643,340		533,847
Less Event Costs		<u>37,935</u>		<u>22,918</u>
		605,405		510,929
Less Expenses				
Wages and Salaries	500,927		376,092	
Staff Pension Costs	25,719		18,166	
Telephone	3,855		2,838	
Light and Heat	5,304		4,767	
Insurance	4,577		5,278	
Repairs and Renewals	5,005		9,987	
Rent	1,475		1,492	
Rates and Water	7,628		7,061	
Staff Recruitment	8,536		5,753	
Newsletter	7,157		-	
Sundry Expenses	1,537		3,897	
Cleaning and Disposables	2,914		2,399	
Meals and Refreshments	7,289		6,124	
Auditor's Remuneration	3,144		2,997	
Printing, Postage and Stationery	9,385		6,382	
Bank Charges	336		321	
Medical Supplies and Treatment	94		772	
Hospice Staff Training	6,930		4,705	
Hospice Staff Travel	8,889		6,703	
Patient Transport	10,390		9,962	
Hospice at Home Costs and Travel	16,900		11,606	
Fundraising Office Costs and Travel	12,426		10,954	
Volunteer Costs	1,535		1,214	
Daycare Costs	3,739		2,095	
Education Costs	113		-	
Complementary Therapy	9,434		6,148	
Carers Group Costs	101		95	
Depreciation	<u>9,349</u>	<u>674,688</u>	<u>11,755</u>	<u>519,563</u>
Net Deficit for the Year		<u>(69,283)</u>		<u>(8,634)</u>