

Co House.

Registered number: 01801708
Charity number: 519540



TREETOPS HOSPICE TRUST
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2016

TREETOPS HOSPICE TRUST

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 14
Independent auditors' report	15 - 16
Consolidated statement of financial activities	17
Consolidated balance sheet	18
Company balance sheet	19
Consolidated cash flow statement	20
Notes to the financial statements	21 - 38

TREETOPS HOSPICE TRUST**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016**

Trustees	Mrs J Heath, Chair Miss S Ansley Mr S Beeley Mr J Davis Dr J Dornan Mr M Fox Dr H Godridge Mr R W Jones Dr S Miller Mr A Perkins Mr A Wardle Ms K Ashcroft (appointed 28 January 2015) Mr A Sarda, Treasurer (appointed 30 March 2015) Dr M Swanwick (appointed 30 March 2015)
Company registered number	01801708
Charity registered number	519540
Registered office	Treetops Hospice Derby Road Risley Derbyshire DE72 3SS
Company secretary	Mr R Thomas
Chief executive	Mr G Cameron
Independent auditors	BHP, Chartered Accountants 2 Rutland Park Sheffield S10 2PD
Bankers	Santander Bridle Road Bootle Merseyside GIR 0AA
Solicitors	Ellis Fermor & Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Treetops Hospice Trust (the company) for the ended 31 March 2016. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

Objectives and Activities

a. Policies and objectives

The objectives of the charity are contained in full in the Memorandum and Articles of the charity. They are also clearly stated in the Vision, Mission and Values statement and are summarised as follows:

Vision

That everyone living within the communities we serve has access to end of life care of the highest quality.

Mission

To make every day count through giving the highest quality support for patients and families living with life limiting illness or affected by death and dying by:

- Ensuring we have the skills and experience to deliver and promote excellence in end of life care provision
- Working in partnership with other local end of life service providers to ensure the best possible patient experience is achieved
- Developing services to reflect the changing needs of the diverse community we serve

Values

Respecting the unique worth of every person

We believe that every person is different but equal, and that everyone's unique needs and contribution should be recognised and supported.

Exercising responsible stewardship

The commitment of our staff and volunteers to making the best use of all our resources enables us to deliver high quality care today and in the future.

Working with hope

Our hope is to enable patients and families supported by the Hospice to live well and die well.

Sustaining a culture of trust, warmth and safety

Everyone who comes into contact with Treetops is treated with care and respect.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) **FOR THE YEAR ENDED 31 MARCH 2016**

b. Strategies for achieving objectives

The Board of Trustees have agreed the strategic direction of the charity through the preparation of a five-year rolling plan. The plan is approved and reviewed each year by the Trustees. The Chief Executive, with departmental managers, continues to develop operational plans and organisational objectives that are encapsulated in the annual budget, which has been approved by the Board. Progress towards achieving objectives is monitored and reviewed through the respective Board and Sub-Committee meetings of the Trustees. All activities of the organisation are monitored and reviewed by the Trustees through the production of monthly management accounts, care service delivery statistics and bi-monthly reports to the Board by the Chief Executive and departmental managers.

c. Activities for achieving objectives

These objectives are met through the provision of care services as follows:

- Day Care Provision
 - Complementary Therapy
 - Art Therapy
 - Out Patient Clinic
- Support and Information
 - Carer Support
- Counselling and Emotional Support
 - Pre and Post Bereavement Support
- Hospice at Home
- Education

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. They are confident that the aims and objectives of the charity as manifested in the services it offers, both provide a public benefit and enhance the lives of the people who use the services.

d. Volunteers

Volunteer numbers have grown again over the last year, thanks in part to the opening of new retail premises. We now have over 650 highly committed people supporting the hospice with the gift of their time. The volunteers support and enrich the work of the organisation in every department including the Funding and Retail companies. Volunteers receive a general, two and a half hour induction to the Hospice and this is followed by extensive training to prepare them for working in specific departments. There has been permanence in the role of Volunteering Development Coordinator and the post holder has made an exceptionally positive impact on the volunteer programme and the way in which we manage and communicate with volunteers.

Volunteers are to be commended for their commitment, not only to their roles, but also to attending statutory training and support meetings. The Hospice would not be able to provide the services it does without the support received from volunteer staff and we are indebted to them for their generosity.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

Achievements and performance

a. Review of activities

Provision of Care

Kathy Longden, the Director of Clinical Services, is responsible for the delivery of all clinical activity including Hospice at Home, Day Care and Therapeutic Services that are commissioned by Derbyshire and Nottinghamshire CCGs.

Treetops Hospice continues to play a significant role in the provision of supportive palliative care within Derbyshire and Nottinghamshire. We continue to work collaboratively with other health care professionals in ensuring that our services reflect local need and more crucially ensure that our patients' and their carers' voices are heard and ultimately their choices remain at the centre of care provided.

In 2015-2016 the hospice provided 35,190 hours of Hospice at Home. We plan to continue to increase activity year on year in line with our five year strategy with a target of 40,000 hours in 2018-2019.

Day Care attendances were down on the previous year by 8% with an occupancy rate of 82%. The total number of places provided was 4,107 out of a possible 5,025.

The Counselling and Emotional Support service which includes our bereavement services and our new counselling service that supports individuals who are affected by a life limiting illness provided 4,051 sessions, an increase of 36%.

Who uses the services of Treetops Hospice?

Treetops Hospice provides care and support to people who have been diagnosed with life-limiting illnesses with progressive disease and are assessed as being in the later stages of their journey. As a general rule the criteria for care marries with the identification of a patient who is placed on the Gold Standards Framework by their General Practitioner. Commissioners have stipulated that our criteria for referral to Day Care should be for patients that are in their last 12 months of life. However, we have a separate contract that is not limited to the 12 month criteria to provide support for people with long term neurological conditions. Access to our Hospice at Home service should be for those who are assessed as being in the last 6 months of life.

We provide care to people who have expressed a wish to be cared for in their own home and ultimately to give them a real choice of dying in their own home. Care and support also extends to patients' carers and families. We also provide services to bereaved adults, children and their families whether or not they have a previous association with the hospice.

Treetops Hospice provides services to Derbyshire and Nottinghamshire, which has a population in excess of 1, 250,000. All services provided by Treetops Hospice are free of charge at point of delivery.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

Overall clinical service objectives for the period were as follows:

- To maintain service delivery to the maximum allowed by departmental budgets ensuring that service level agreement targets are, as a minimum, met.
- To monitor the quality of service delivery by seeking the opinions of both service users and District Nurses and to ensure that the results of audit/evaluation are fed back appropriately to those delivering, receiving and commissioning the services and to the Hospice Board of Trustees.
- To develop new services as planned by the Clinical Sub-Committee and agreed by the Board of Trustees within the limits set by the budget.

The service objectives stated above were all achieved.

The total number of people referred to all our services in 2015-2016 was 1,756, an increase of 10% over the previous year.

The total number of patients who received care was 1,271 (an increase of 2% on last year). With 453 adults and children receiving support from our Counselling and Emotional Support services this brings the total number of individuals who received our care to 1,724 compared with 1,627 last year – an increase of 2%.

Audit/evaluation is continuous in all departments and results indicate that patients, carers and collaborating health professionals are extremely satisfied with the support they receive. The results of audit/evaluation are submitted to and scrutinised by the Clinical Sub-Committee and circulated to the Board of Trustees and to the Clinical Commissioning Groups (CCGs).

As an appendix to our Quality Account for 2015-2016 we have received a statement of approval from Southern Derbyshire CCG which strongly supports the services that we provide to our local communities.

Hospice at Home

Caring for someone with a life-limiting illness at home, 24 hours a day can be both physically and emotionally exhausting. Patients are often 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 felt by carers and allow the patient to remain at home, if that is their wish, and to die, with dignity, in the place of their choice.

The complexity of patients on our caseload who are choosing to stay in their own homes continues to grow and the role and valuable support of our nurse manager within the department is evident in prioritising care to those patients and their carers who are in most need, ensuring that our Hospice at Home nurses are used in the most effective and appropriate way.

A team of qualified nurses and experienced health care assistants are available 24 hours a day, 365 days a year. The service is managed and co-ordinated by a Nurse Manager (0.8 full time equivalent); her team consists of 1.4 full time equivalent nurse co-ordinators and two clerical co-ordinators who between them work the equivalent of 9 days per week to co-ordinate the team of 50+ skilled and experienced palliative care nurses.

Service delivery targets are set within the service level agreements on which statutory funding is based as follows:

Service Level Agreement	Target Hours	Actual Hours
Derbyshire	25,330	23,757
Nottinghamshire	8,395	11,433

The Hospice at Home service contract with Derbyshire CCGs under performed by 1,573 hours of the contract and the contract with Nottinghamshire CCGs had an over provision of 3,038 hours.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

The total provision went up from 31,220 to 35,190 hours in increase of 12.5%. 4,614 Hospice at Home episodes of care were provided during the year; an increase of 395 (9%) above the previous year.

The total number of patients cared for by our Hospice at Home service during the period was 760, an increase of 61 patients (8.5%) over the previous year. Of these, 642 (85%) people received care for the first time. There were a total of 1,085 referrals to the service compared to 1,056 the previous year.

538 Hospice at Home patients died during the year. Of these 87% died at home compared with the national average for Hospice at Home services of 78%. (National Council for Palliative Care minimum data set 2014-2015).

Day Care Unit

Day Care gives people with life-limiting 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 given to the management of physical, social, emotional and spiritual needs. A change of environment, social stimulation and activities, appropriate to each individual, are integral parts of the service.

During 2015-2016 our occupancy rate was 82%, which is higher than the national average of 55%. (NCPC minimum data set 2014-2015)

Performance, measured against service level agreements, was as follows:

Service Level Agreement	Target Attendances	Actual Attendance
Derbyshire	4,270	3,313
Nottinghamshire	572	701

As can be seen from the above, the service level target for Nottinghamshire exceeded the contract by 129 attendances (22%). Our Derbyshire target was not met by 957 attendances (-22%).

During 2015-2016 there were 4,473 attendances, which was a decrease of 366 attendances (- 8%).

Complementary Therapy Service

Our Complementary Therapy service was extended to the community during the year and is available to patients, carers and the bereaved. The aim is to provide treatments that enable people to cope more effectively with their situation in terms of managing physical and emotional symptoms. Fully qualified therapists offer Aromatherapy, Reflexology, Reiki and Indian head and shoulder massage. During 2015-2016 the number of individual treatments provided was 1,170, a decrease of 3%. No service level agreement exists for the service but we are pleased to offer our client group this much valued and appreciated service, which provided therapies for 267 individuals during the year.

Art Therapy Service

During 2015-2016 we increased our Art Therapy provision to a 5 day service. Art Therapy is a confidential psychological service, which allows emotional conflicts to be externalised and explored through the making of artwork and the relationship with the therapist. This element of our Day Care and adult bereavement provision gives an added dimension of support to clients who are coming to terms with living with life limiting conditions or a death.

We have developed the service to offer Art Therapy to bereaved children and young people as part of the implementation of combined therapeutic services.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

Carers Support

During 2015-2016 we introduced a programme of carers workshops which are managed and facilitated by our Support and Information Clinical Nurse Specialist. The six week programme was delivered three times and offered educational, practical, psychological, emotional and peer support. During the year we provided 69 sessions of carer support.

Out Patient Clinic

We continue to host an outpatient clinic staffed by a Palliative Care Consultant from Royal Derby Hospital. This allows the charity to refer patients to the clinic if medical intervention is required and reduces the need for many local people to travel to the city centre for medical assessment/review. No funding is received for this service and so there are no service level agreements. In 2015-2016 a total of 37 people attended of whom 17 were new patients. The total attendances were 108.

Counselling and Emotional Support Service

We continue to receive a financial contribution from Derbyshire CCGs for bereavement support which is provided to people regardless of them having a previous association with Treetops Hospice. We only accept self-referral to the service from adult clients, as this is the best indicator that clients are ready to engage in the therapeutic process. Referrals for support of children and families are accepted from family members and also from interested parties such as school personnel, social workers and children's mental health specialists.

During the year the Bereavement team has increased its numbers from 34 to 36 volunteers (22 Treetops trained volunteers and 16 volunteer counsellors).

Our Student Placement Service has also grown; we now have 15 students working within the service bringing the total volunteers up to 53.

Service Level Agreement	Target Sessions	Actual Sessions
Derbyshire	2,690	2,712
Nottinghamshire	N/A	123
Other	N/A	41

Although we do not receive any funding we provided a total of 165 sessions to the local community outside Derbyshire.

The total number of clients receiving bereavement support during the year was 267 adults and 129 children and young people, totalling to 396 which replicates the number of overall clients supported last year.

2015 - 2016 was the first full year of our counselling service for patients and their families and carers who are living with a life-limiting illness. During the year 69 people referred themselves or were referred to the service of which 38 became clients of the service. 288 sessions were provided.

b. Investment policy and performance

During 2015 the Board of Trustees decided that due to the low interest rates, it was now the appropriate time to move some of our reserves from interest bearing accounts to be managed by investment brokers. The amount invested is the surplus over the minimum amount set aside for reserves.

Other investments are £10,000 invested in Treetops Funding Limited and £1,000 in Treetops Retail Limited. The amount of interest received in this year was £18,061.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Results for the year

The Charity's gross income rose from £3,323,308 to £3,375,974, an increase of £52,666. Gross costs increased from £2,974,792 to £3,286,206 an increase of 10%, which was within the targets approved in the budget. This was mainly due to increased investment within Fundraising, Lottery and Retail as well as growth in charitable activities.

Treetops Funding Limited and Treetops Retail Limited

In 2003, Treetops Retail Limited was created for the Retail shops and catering operation. The company is VAT registered. Treetops Funding Limited operates the Treetops Hospice Lottery only.

The Charity's wholly owned trading subsidiaries carry out non-charitable trading activities for the Charity. In 2015-16, the Funding and Retail companies made a profit of £313,215, a decrease of 1% over the previous year. During the year £314,737 was transferred to the Charity under the Company Gift Aid scheme.

Funding Company – Treetops Hospice Lottery

The Funding Company's turnover rose from £339,387 to £384,948 (13%), profit increased from £106,367 to £157,714 (48%). This was mainly due to the return on investment from previous years, which has led to a growth in lottery membership to nearly 8,000.

Retail Company

Treetops Retail Limited made an operating profit of £155,501 for the financial year 2015-16. This was a decrease of £55,042 (26%) on 2014-15. This is mainly due to a review of our Retail infrastructure took place with an investment in Gift Aid, staffing levels and catering. It is planned that the benefits will not be seen from this investment until 2016-17 onwards.

Fundraising

Fundraising includes income from the community, events, individual donations, corporate support and trusts. After investment in the infrastructure in 2013-14, net contribution has risen to a record level of £445,693.

Legacy income experienced a reduction of income falling from £292,648 to £211,131. Though legacy income is not depended upon for the day to day running of the hospice, it is an important income stream that enables the development of existing or new services. To this end a legacy marketing programme is constantly in progress to create awareness within the public domain of the need for gifts in wills and the impact that such generosity can have on service development.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

c. Principal risks and uncertainties

As reported earlier the Board has agreed a risk management structure for the organisation and has identified the major risks to which the organisation is exposed, which are reviewed every six months and appropriate mitigating action is taken accordingly. The most recent review showed that the only item with a high score and hence the highest risk is the potential loss of statutory income. As the NHS puts out more services to tender it is clear that they are looking to reduce their costs at this time of austerity and it is possible that this will have an impact on the Hospice's income. To counter this the Trustees continue to invest in the three income generation streams that already provide the charity with 70% of its income, namely the Lottery, the Retail operations and general fundraising.

The other risks in the intermediate category also focus on income generation but with reasonable reserves and a strategy in place the Trustees are confident in the future financial strength of the organisation.

d. Reserves policy

The Board of Trustees regularly review the level of reserves to ensure that fund levels are appropriate for the current activities and long term aims, should they need to be called upon. The reserves policy forms part of our Finance Policies and can be provided upon request.

In order to develop long term objectives and ensure the continuation of current services, the Charity needs to have an appropriate level of reserves. The Board of Trustees have calculated and agreed an acceptable level to be £800,000. This accounts for any major loss of income, such as statutory funding, to allow services to continue running for 6 months and fund redundancy costs. The free reserves at 31 March 2016 are £1,030,166 (2015: £976,983). The Trustees are satisfied with the reserves at the balance sheet date and feel it is at a satisfactory level for the charity to discharge its obligations and long term plans in these uncertain financial times.

Structure, governance and management

a. Constitution

Treetops Hospice is a registered charity and company limited by guarantee without a share capital 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. The charity's governing document is its Memorandum and Articles of Association (last amended on 24 November 2008), which restrict the charity's operations to all such lawful acts as are incidental or necessary to the attainment of its objectives.

b. Method of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

c. Policies adopted for the induction and training of Trustees

The Board agreed a written structure for the induction of new Trustees, and a code of conduct for Trustees and the Chief Executive. Trustee induction is managed by the Chief Executive and the Company Secretary and includes written information on the following topics:

- The legal status of the charity and governance
- The structure and staffing of the organisation
- Finance information
- Policies and strategy
- Professional advisers

All new Trustees will spend time with the Chair of the Board and the Chief Executive at an early stage. The charity subscribes to Governance a journal for Trustees. All Trustees receive individual copies and a copy is held in the general office and Trustees are given information on relevant training courses.

d. Pay policy for senior staff

It is the policy of the Board of Trustees to remunerate the Senior Management team in line with market forces and pay an acceptable salary that in general is in line with the charity sector as a whole and specifically hospices and will attract and keep quality staff.

The SMT are only awarded pay increases in line with the cost of living annual award given to all staff and will not receive any other financial recognition. The cost of living increase is discussed by the Board of Trustees annually and is awarded in line with the charities performance, affordability and external indicators, such as the cost of living index.

e. Organisational structure and decision making

The responsibility to ensure appropriate management of the charity is vested in the Board of Trustees, a third of which are elected annually by the members of the Company. To assist the Board in discharging its responsibilities, it receives regular reports on some aspects of its principle functions from the Finance and Income Generation and the Clinical sub-committees. These committees consist of members of the Board of Trustees and senior members of staff. The Finance and Income Generation sub-committee meet to review the financial activity every two months, while the clinical sub-committee meets every quarter to monitor clinical services. The Board meets six times a year with additional meetings as needed.

The Chief Executive, who leads the senior management team, is responsible to the Board of Trustees for the day-to-day management of the charity and the execution of the policies and strategies defined by the Board.

f. Risk management

The Board has agreed a risk management structure for the organisation and has identified the major risks to which the organisation is exposed, these are reviewed every six months and appropriate mitigating action is taken accordingly. The Health and Safety committee continue to ensure that all relevant issues are considered and addressed at departmental level and the Health and Safety Responsible Person prepares bi-monthly Health and Safety reports for the Board.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

g. Governance

In 2012 the Trustees took place in the Help the Hospices (Hospice UK) Board Development Programme run by Cass Business School. The Help the Hospices Board development programme, funded by the Monument Trust focused on effective governance (i.e. the systems, processes and behaviours that enable trustees/non-executive directors to hold the organisation in trust, steer its work and optimise the benefit to its current and future beneficiaries). The key framework used in the programme was Good Governance – a code for the voluntary and community sector (2nd edition October 2010), which sets out six key principles of effective governance.

The key indicators used to assess the success of the programme included:

- The board has a better understanding of good governance (including clinical)
- The board has reflected on its governance strengths and weaknesses
- The board has greater self-awareness of its culture and behaviours
- The board, led by the Chair has agreed, and is implementing a clear action plan to improve its governance.

The programme consisted of a document review, interviews with chair, Chief Executive and two trustees; three visits to the hospice, including Board meetings and some interim contact.

The Board gave careful consideration to the 11 recommendations in the board development report. It was decided that the Board wanted to focus on:

1. Ensuring the Board focuses on strategic matters
2. Improving the effectiveness of meetings
3. Induction, training and recruitment of trustees
4. Assessing the Board's own performance

Clinical Governance is the remit of the Clinical Sub-Committee, who report to the Board.

Plans for future periods

a. Future developments

Objectives for 2015-2016

1. Day Care Services

1.1 Day Care Unit

During 2015-2016 there was an increase in referrals to the Day Care unit. 9 individuals (5,5%). However, attendances to the unit decreased by 8%. It has been identified that there is a significant change in the number of referrals that go on to become active. Additionally, when looking at the average number of attendances individual guests make to the unit also translates to much lower episodes of care.

A review of the changing attendances in Day Care has led to the proposal of introducing a Well-being day. Southern Derbyshire CCG have agreed in principal to pilot a six month provision which is due to commence in October 2016. The well-being day will offer all the benefits of traditional day care and more. It will have a focus on rehabilitative palliative care and self-management strategies.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

We will continue to work towards broadening both the psychological and occupational activities offered in Day Care to promote and enhance the guests' experience.

1.2 Support and Information Service

The service ran for its first full year in 2015-2016 and provided 223 sessions the majority of these was for emotional support with the remainder being advice on financial issues, signposting and queries around local support. Twice a month we are piloting the service at a drop in facility in Swadlincote.

We are also piloting a clinic for people with end stage respiratory disorders working alongside a consultant from the Royal Derby Hospital. The aim of this is to transfer support for patients with end stage respiratory conditions who have palliative care needs from the acute hospital setting to the hospice.

We will also be planning the development of number of support groups including a post treatment group.

1.3 Outreach and clinics

Working in partnership with the Royal Derby Hospital NHS foundation trust we are hoping to introduce a clinic for patients with non-malignant respiratory diseases where active treatment has been deemed as of not being beneficial. The future support of these patients will then be transferred to community health care and patients will also be referred to our Support and Information service Clinical Nurse Specialist who will be available to patients for their on-going needs. It is also planned that in collaboration with the hospital team a breathlessness support programme is developed.

This model of community clinic will be used to encourage more transitional care to be supported by Treetops Hospice, whilst moving patients away from secondary care settings.

2. Hospice at Home

2.1 Hospice at Home provision

During 2015-2016 we provided 35,190 hours of care. Our key objectives for this year are to have a year of consolidation where our activity target will remain at 36,000 hours. Further recruitment will be planned to prepare for a further increase in 2017-2018.

The co-ordination team now consists of a Hospice at Home manager employed for 30 hours per week, 1.4 full time equivalent nurse co-ordinators and the equivalent of 9 days per week of clerical co-ordination. This level of staffing will be continuously reviewed through caseload demand and increased administrative requirements and responsibilities.

2.2. Nursing team development programme

Our Nurse Educator is set to complete the second and final module in curriculum development to fulfil the requirement for a Post Graduate Certificate in Education.

To maintain the high standards of nursing care that we provide, our in house nurse education programme continues to be a key priority for our clinical departments.

Other responsibilities include support and help for our Registered nurses to prepare them for Nursing and Midwifery Council re-validation.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

During 2015-2016 we have partnered with Southern Derbyshire CCG to deliver a recognised communication course. The Sage & Thyme communication course has been developed by a group of clinical staff and a patient at the University Hospital of South Manchester. The course empowers individuals to support others who are distressed or concerned by holding back with advice and prompting the concerned person to consider their own solutions.

Three Treetops Hospice Care staff including the nurse educator were successful in gaining accreditation to become licensed facilitators.

3. Therapeutic Services

Our Counselling and Emotional Support Service has been located on the main hospice site for over a year now. In that time it has been acknowledged that a more integrated and supportive management model of our therapeutic services would bring a much more cohesive and streamlined approach to therapeutic care.

Changes to the way that our therapeutic services are managed have been agreed for April 2016 and the services are to be managed under the new model of Therapeutic Services for those facing or affected by death or life-limiting illness – adult, children and families – are:

- Counselling and Emotional Support
- Art Therapy
- Complementary Therapies

The restructure of management, clinical supervision and training opportunities within this area will create a more co-ordinated approach to therapeutic care and best practice for clients from diagnosis through to bereavement.

The introduction of a Well-being day in the Day Care unit and the work of the Support and Information Service will also broaden the opportunity for collaborative working with clients living with life-limiting illnesses.

We will continue to offer placements to counselling students in their final year of professional training. We are pleased to report that there continues to be a high demand for placements which allows us to select only the most competent and committed candidates.

As part of the package we offer our students, is a comprehensive educational programme. During 2015-2016 it is intended that the programme be opened to external paying professionals, to work towards developing a centre of excellence and learning in relation to bereavement work.

4. Nurse led in-patient bedded unit

A non-NHS bedded unit is the one main end of life services that is missing from the portfolio of services delivered within our catchment area. Independent hospice facilities providing step-up and step-down beds would assist the Royal Derby Hospital in reducing its death's in hospital, as well as create more acute bed space. With this in mind, a proposal is currently being drawn up for Treetops Hospice Care to work with the Clinical Commissioning Group for Southern Derbyshire to create such a facility during 2017.

TREETOPS HOSPICE TRUST

TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 MARCH 2016

Trustees' responsibilities statement

The Trustees (who are also directors of Treetops Hospice Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

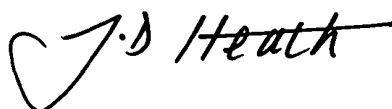
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by the Trustees on 25/7/16 and signed on their behalf by:



Mrs J Heath, Chair

TREETOPS HOSPICE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TREETOPS HOSPICE TRUST

We have audited the financial statements of Treetops Hospice Trust for the year ended 31 March 2016 set out on pages 17 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

TREETOPS HOSPICE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TREETOPS HOSPICE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BHP

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP, Chartered Accountants

Statutory Auditors

2 Rutland Park

Sheffield

S10 2PD

Date: *26 October 2016*

TREETOPS HOSPICE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	837,760	193,676	1,031,436	1,127,732
Other trading activities	6	1,329,375	-	1,329,375	1,248,657
Investments	7	18,061	-	18,061	16,444
Charitable activities	8	997,102	-	997,102	930,475
Total income		3,182,298	193,676	3,375,974	3,323,308
Expenditure on:					
Raising funds:					
Voluntary income	9	240,136	-	240,136	221,185
Fundraising trading	10	1,016,160	-	1,016,160	931,747
Charitable activities	11	1,859,893	170,017	2,029,910	1,821,860
Total expenditure		3,116,189	170,017	3,286,206	2,974,792
Net income before transfers		66,109	23,659	89,768	348,516
Transfers between funds	20	34,810	(34,810)	-	-
Net income / (expenditure)		100,919	(11,151)	89,768	348,516
Net movement in funds		100,919	(11,151)	89,768	348,516
Reconciliation of funds:					
Total funds at 1 April 2015		3,336,011	59,196	3,395,207	3,046,691
Total funds at 31 March 2016		3,436,930	48,045	3,484,975	3,395,207

All activities relate to continuing operations.

The notes on pages 21 to 38 form part of these financial statements.

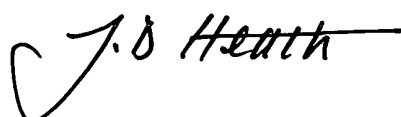
TREETOPS HOSPICE TRUST
REGISTERED NUMBER: 01801708

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	16		2,376,764		2,359,028
Current assets					
Stocks		1,710		2,532	
Debtors	18	75,726		68,459	
Cash at bank and in hand		1,340,022		1,205,192	
		<u>1,417,458</u>		<u>1,276,183</u>	
Creditors: amounts falling due within one year	19	<u>(309,247)</u>		<u>(240,004)</u>	
Net current assets			<u>1,108,211</u>		<u>1,036,179</u>
Net assets			<u>3,484,975</u>		<u>3,395,207</u>
Charity Funds					
Restricted funds	20		48,045		59,196
Unrestricted funds	20		3,436,930		3,336,011
Total funds			<u>3,484,975</u>		<u>3,395,207</u>

The financial statements were approved by the Trustees on 25 JULY 2016
 by:

and signed on their behalf,



Mrs J Heath, Chair

The notes on pages 21 to 38 form part of these financial statements.

TREETOPS HOSPICE TRUST
REGISTERED NUMBER: 01801708

COMPANY BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	16		2,321,728		2,305,136
Investments	17		11,000		11,000
			2,332,728		2,316,136
Current assets					
Debtors	18	84,203		123,310	
Cash at bank and in hand		1,215,135		1,058,945	
		1,299,338		1,182,255	
Creditors: amounts falling due within one year	19	(208,501)		(166,116)	
Net current assets			1,090,837		1,016,139
Net assets			3,423,565		3,332,275
Charity Funds					
Restricted funds	20		48,045		59,196
Unrestricted funds			3,375,520		3,273,079
Total funds			3,423,565		3,332,275

The financial statements were approved by the Trustees on **25 July 2016** and signed on their behalf, by:



Mrs J Heath, Chair

The notes on pages 21 to 38 form part of these financial statements.

TREETOPS HOSPICE TRUST**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>246,483</u>	<u>510,330</u>
Cash flows from investing activities:			
Interest from investments		18,061	16,444
Purchase of property, plant and equipment		<u>(129,714)</u>	<u>(528,607)</u>
Net cash used in investing activities		<u>(111,653)</u>	<u>(512,163)</u>
Change in cash and cash equivalents in the year		134,830	(1,833)
Cash and cash equivalents brought forward		<u>1,205,192</u>	<u>1,207,025</u>
Cash and cash equivalents carried forward	23	<u><u>1,340,022</u></u>	<u><u>1,205,192</u></u>

TREETOPS HOSPICE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. Accounting Policies

1.1 Basis of preparation of financial statements

The 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Treetops Hospice Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.4 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 company 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 to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs 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.

TREETOPS HOSPICE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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 company where 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.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.7 Basis of consolidation

The financial statements consolidate the accounts of Treetops Hospice Trust and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

TREETOPS HOSPICE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

1.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Stocks

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impracticable to do so as there are no formal systems in place to record these items and undertaking a stock count would incur undue cost which outweighs the benefits to the charity.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.14 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

TREETOPS HOSPICE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

1.15 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.16 Pensions

The company contributes to individuals' defined contribution pension schemes. Contributions are charged to the SOFA in the year they are payable.

2. Donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations and sponsorship (note 3)	268,463	-	268,463	240,802
Legacies and bequests	211,131	-	211,131	292,648
Income from charitable trusts (note 4)	74,550	59,200	133,750	110,620
Income from other clubs and organisations	39,950	-	39,950	26,178
Christmas appeal	5,151	-	5,151	4,154
Car boot sales	14,097	-	14,097	12,534
Light Up A Life	14,936	-	14,936	12,910
Easter appeal	5,500	-	5,500	4,174
Recycling	938	-	938	567
Prize draw	15,887	-	15,887	14,733
Miscellaneous	31,811	-	31,811	29,345
Experian Event / Robin Hood event	-	-	-	1,739
Moonlight walk	66,040	-	66,040	61,090
Colour run	24,500	-	24,500	-
Gift aid	3,567	-	3,567	13,555
BBC Children In Need	-	9,964	9,964	9,862
Community events	52,521	-	52,521	30,798
Tea for Treetops	8,718	-	8,718	7,391
Department of Health capital grant	-	-	-	236,432
Erewash CCG	-	11,958	11,958	18,200
Big Lottery	-	67,023	67,023	-
Apprentice grant	-	1,500	1,500	-
South Derbyshire CCG	-	44,031	44,031	-
Total	837,760	193,676	1,031,436	1,127,732

In 2015, of the total donations and legacies income, £801,627 was to unrestricted funds and £326,105 was to restricted funds.

TREETOPS HOSPICE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3. Donations and sponsorship

	2016 £
<i>Corporate groups</i>	
Ashbourne Town Council	50
Aga Rangemaster	100
Bramcote Crematorium Joint Committee	650
Capital One (Europe) plc	686
Fairgrove Homes	3,029
F C Cartons	250
Ilkeston Job Centre	50
Inner Wheel Club of Long Eaton	550
Long Eaton Round Table	852
Nationwide Building Society	200
Ockbrook & Borrowash Support Group	150
Royal Bank of Scotland Corporate	1,154
Routen Chaplin & Partners	331
Rotary Club of Beeston	3,150
Rotary Club of Wollaton Park	1,858
Rutland Masonic Lodge	639
Sainsbury's Local	453
Strategic Communications Services	14,000
Sunspel Menswear Ltd.	330
St Michael and All Angels Church	300
Trent Lock Golf Centre	400
Yorkshire Bank	793
Other donations and sponsorship under £300 and individual donations	238,488
	268,463

TREETOPS HOSPICE TRUST**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****4. Charitable trusts**

	2016 £
Boots	5,000
Erewash Borough Council	500
Institute of Our Lady of Mercy	1,000
The Cecil Rosen Foundation	200
The Charles Littlewood Hill Trust	5,000
The D'Oyly Carte Charitable Trust	3,000
The Elizabeth Frankland Moore and Star Foundation	6,250
The February Foundation	7,500
The Freemasons' Grand Charity	1,000
The Garfield Weston Foundation	25,000
The Hospital Saturday Fund Charitable Trust	2,000
The Paget Trust	1,000
The Roger Vere Foundation	200
The Ruffield Charitable Trust	59,250
The Sawley Charities	400
The Sir Cliff Richard Charitable Trust	1,000
The Sobell Foundation	10,000
The Sunshine Foundation	250
The Thomas J Horne Memorial Trust	5,000
Zurich Community Trust UK Ltd.	200
	133,750

5. Donations and legacies - restricted funds

	2016 £
Boots	5,000
Bereavement Project	9,964
Big Lottery Fund	67,023
Erewash Borough Council	500
Erewash CCG	11,958
CCG Minibus funding	44,031
Apprentice Grant	1,500
The Charles Littlewood Hill Trust	5,000
The February Foundation	7,500
The Garfield Weston Foundation	25,000
The Hospital Saturday Fund Charitable Trust	2,000
The D'Oyly Carte Charitable Trust	3,000
The Roger Vere Foundation	200
The Sir Cliff Richard Charitable Trust	1,000
The Sobell Foundation	10,000
	193,676

TREETOPS HOSPICE TRUST**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****6. Other trading activities**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hospice lottery income	384,948	-	384,948	339,387
Shop sales	789,335	-	789,335	833,101
Catering income	155,092	-	155,092	76,169
	<u>1,329,375</u>	<u>-</u>	<u>1,329,375</u>	<u>1,248,657</u>

In 2015, of the total fundraising income, £1,248,657 was to unrestricted funds and £nil was to restricted funds.

7. Investments income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	18,061	-	18,061	16,444
	<u>18,061</u>	<u>-</u>	<u>18,061</u>	<u>16,444</u>

In 2015, of the total investment income, £16,444 was to unrestricted funds and £nil was to restricted funds.

TREETOPS HOSPICE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. Income from charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Erewash CCG	239,897	-	239,897	248,031
Derby City CCG	453,225	-	453,225	432,896
Hardwick CCG	11,184	-	11,184	15,850
Nottingham County Teaching CCG	228,072	-	228,072	186,679
	932,378	-	932,378	883,456
Other income				
Education	29,131	-	29,131	5,530
Meals and refreshments	21,411	-	21,411	24,995
Trustee membership fees	370	-	370	410
NHS pension rebate	8,500	-	8,500	8,500
Miscellaneous	5,312	-	5,312	7,584
	997,102	-	997,102	930,475

In 2015, of the total charitable activities income, £1,930,475 was to unrestricted funds and £nil was to restricted funds.

9. Raising funds - voluntary income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Direct costs - other	84,889	-	84,889	71,359
Direct costs - staff	155,247	-	155,247	149,826
	240,136	-	240,136	221,185

In 2015, of the total expenditure on raising voluntary income, £221,185 was to unrestricted funds and £nil was to restricted funds.

TREETOPS HOSPICE TRUST**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****10. Raising funds - fundraising trading**

	Direct staff costs 2016 £	Direct other costs 2016 £	Support costs 2016	Total funds 2016 £	Total funds 2015 £
Hospice lottery	59,573	167,661	-	227,234	233,020
Shops	406,757	267,272	-	674,029	645,402
Catering	57,469	57,428	-	114,897	53,325
Total	523,799	492,361	-	1,016,160	931,747

Direct other costs are those associated with providing the activity, for example, lottery prizes, shop cost of sales, depreciation and other costs.

In 2015, of the total expenditure on raising voluntary income, £931,747 was to unrestricted funds and £nil was to restricted funds.

TREETOPS HOSPICE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. Cost of charitable activities

	Direct staff costs 2016 £	Direct other costs 2016 £	Support costs 2016 £	Total funds 2016 £	Total funds 2015 £
Daycare provision	351,549	129,060	59,997	540,606	506,827
Bereavement support	177,871	30,521	26,015	234,407	166,387
Complementary therapy	22,856	27,611	6,300	56,767	52,197
Hospice at home	863,921	80,875	117,944	1,062,740	1,002,499
Training	3,119	13,550	2,081	18,750	20,898
Clinical information & support centre	76,340	4,554	10,099	90,993	53,352
Governance costs (note 12)	10,108	15,539	-	25,647	19,700
	<u>1,505,764</u>	<u>301,710</u>	<u>222,436</u>	<u>2,029,910</u>	<u>1,821,860</u>

Support costs outlined below have been allocated to charitable activities in proportion to the direct costs attributed to each activity.

The relevant proportions are daycare provision 27% (2015: 28%), bereavement support 12% (2015: 9%), complementary therapy 3% (2015: 3%), hospice at home 52% (2015: 56%), training 1% (2015: 1%) and clinical information and support centre 5% (2015: 3%).

Restricted expenditure totalling £170,017 (2015: £80,918) is included in the total expenditure of £2,029,910 (2015: £1,821,860).

Support costs

	2016 £	2015 £
Administration	153,544	108,609
Marketing	68,892	74,962
	<u>222,436</u>	<u>183,571</u>

TREETOPS HOSPICE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. Governance costs

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Direct costs - other	15,539	-	15,539	9,484
Direct costs - staff	10,108	-	10,108	10,216
	<u>25,647</u>	<u>-</u>	<u>25,647</u>	<u>19,700</u>

Other governance costs represent Trust audit fees, legal costs and health & safety audit costs. Staff costs represent company secretarial and chief executive governance costs.

13. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charitable group	111,978	111,137
Auditors' remuneration	9,290	9,015
Auditors' remuneration - non-audit	-	350
	<u>121,268</u>	<u>120,502</u>

14. Staff costs

	2016 £	2015 £
<i>Treetops Hospice Trust - group</i>		
Wages and salaries	1,966,782	1,740,266
Social security costs	117,428	116,355
Other pension costs	127,535	113,486
	<u>2,211,745</u>	<u>1,970,107</u>
Treetops Retail Limited	(491,164)	(428,105)
Treetops Funding Limited	(59,573)	(61,989)
	<u>1,661,008</u>	<u>1,480,013</u>

TREETOPS HOSPICE TRUST**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****15. Staff costs (continued)**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,467,881	1,304,471
Social security costs	89,718	89,988
Other pension costs	103,409	85,554
	<u>1,661,008</u>	<u>1,480,013</u>

The average monthly number of employees was: 134 (2015: 121) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2016 No.	2015 No.
Direct charitable	53	44
Fundraising and publicity	31	29
Management and administration	5	5
	<u>89</u>	<u>78</u>

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £ 60,001 - £ 70,000	<u>1</u>	<u>1</u>

The total amount of employee benefits received by key management personnel is £228,219 (2015: £219,294). The Trust considers its key management personnel comprise the Chief Executive Officer, Director of Clinical Services, Company Secretary & Finance Manager and Volunteer & Support Services Manager.

No Trustees were paid any remuneration during the year and no expenses were paid to Trustees during the year.

Treetops Hospice Trust makes payments on behalf of employees into individuals' defined contributions pension schemes. The assets of these schemes are held separately from those of the charity in independently administered funds. The pension cost charge in the statement of financial activities represents contributions payable by the charity to the funds and amounts to £127,535 (2015: £113,486). At the year end, contributions of £9,692 (2015: £9,426) were outstanding.

TREETOPS HOSPICE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

16. Tangible fixed assets

<i>Group</i>	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2015	2,423,353	81,500	343,334	51,707	2,899,894
Additions	44,567	36,730	48,417	-	129,714
At 31 March 2016	2,467,920	118,230	391,751	51,707	3,029,608
Depreciation					
At 1 April 2015	230,038	15,359	259,316	36,153	540,866
Charge for the year	49,358	19,796	37,461	5,363	111,978
At 31 March 2016	279,396	35,155	296,777	41,516	652,844
Net book value					
At 31 March 2016	2,188,524	83,075	94,974	10,191	2,376,764
At 31 March 2015	2,193,315	66,141	84,018	15,554	2,359,028

TREETOPS HOSPICE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

16. Tangible fixed assets (continued)

<i>Company</i>	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2015	2,423,353	44,031	211,417	51,707	2,730,508
Additions	44,567	36,730	27,037	-	108,334
At 31 March 2016	2,467,920	80,761	238,454	51,707	2,838,842
Depreciation					
At 1 April 2015	230,038	-	159,181	36,153	425,372
Charge for the year	49,358	15,142	21,879	5,363	91,742
At 31 March 2016	279,396	15,142	181,060	41,516	517,114
Net book value					
At 31 March 2016	2,188,524	65,619	57,394	10,191	2,321,728
At 31 March 2015	2,193,315	44,031	52,236	15,554	2,305,136

The Trustees are of the opinion that the open market value of the freehold property is in excess of its carrying value. It is not considered practical to quantify this excess.

The costs of the freehold property comprise of the buildings and grounds known as Treetops Hospice Trust.

	2016 £	2015 £
Original costs	246,882	246,882
Improvements to freehold property	1,300,172	1,255,605
Sandiacre premises	155,321	155,321
New build costs	765,545	765,545
Total	2,467,920	2,423,353

TREETOPS HOSPICE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

17. Fixed asset investments

<i>Company</i>	Shares in group undertakings £
<i>Market value</i>	
At 1 April 2015 and 31 March 2016	11,000

The investments represent the entire ordinary issued share capital in Treetops Retail Limited and Treetops Funding Limited which are registered in England and Wales.

18. Debtors

	<u>Group</u>		<u>Company</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	20,083	25,120	19,176	23,029
Amounts owed by group undertakings	-	-	41,388	86,875
Other debtors	7,158	4,964	-	-
Prepayments and accrued income	39,085	38,375	14,239	13,406
Tax recoverable	9,400	-	9,400	-
	75,726	68,459	84,203	123,310

**19. Creditors:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	113,229	55,232	73,398	42,501
Amounts owed to group undertakings	-	-	6,530	-
Other taxation and social security	37,094	35,218	37,094	35,218
Other creditors	126,650	63,793	73,279	13,891
Accruals and deferred income	32,274	85,761	18,200	74,506
	309,247	240,004	208,501	166,116

TREETOPS HOSPICE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

20. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
Fixed assets	2,359,028	-	-	17,736	2,376,764
General funds					
General funds	976,983	3,182,298	(3,116,189)	17,074	1,060,166
Total Unrestricted funds	3,336,011	3,182,298	(3,116,189)	34,810	3,436,930
Restricted funds					
Grounds fund	44,137	11,958	(9,381)	-	46,714
Children's bereavement project	1,325	9,964	(9,958)	-	1,331
Pre-bereavement project	13,734	-	(13,734)	-	-
Hospice at Home	-	51,700	(51,700)	-	-
Clinical support centre	-	7,500	(7,500)	-	-
Support and information	-	67,023	(67,988)	965	-
Apprentice grant	-	1,500	(1,500)	-	-
Minibus fund	-	44,031	(8,256)	(35,775)	-
	59,196	193,676	(170,017)	(34,810)	48,045
Total of funds	3,395,207	3,375,974	(3,286,206)	-	3,484,975
Summary of funds					
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	2,359,028	-	-	17,736	2,376,764
General funds	976,983	3,182,298	(3,116,189)	17,074	1,060,166
	3,336,011	3,182,298	(3,116,189)	34,810	3,436,930
Restricted funds	59,196	193,676	(170,017)	(34,810)	48,045
	3,395,207	3,375,974	(3,286,206)	-	3,484,975

TREETOPS HOSPICE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

20. Statement of funds (continued)

Transfers

The designated fund of £2,376,764 represents the net book value of the group's unrestricted fixed assets.

Restricted funds

The purpose of the restricted funds are as detailed on the previous page.

21. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	2,376,764	-	2,376,764	2,359,028
Current assets	1,369,413	48,045	1,417,458	1,276,183
Creditors due within one year	(309,247)	-	(309,247)	(240,004)
	<u>3,436,930</u>	<u>48,045</u>	<u>3,484,975</u>	<u>3,395,207</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	89,768	348,516
Adjustment for:		
Depreciation charges	111,978	111,137
Interest from investments	(18,061)	(16,444)
Decrease/(increase) in stocks	822	(1,325)
(Increase)/decrease in debtors	(7,267)	47,382
Increase in creditors	69,243	21,064
Net cash provided by operating activities	<u>246,483</u>	<u>510,330</u>

23. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	1,340,022	1,205,192
Total	<u>1,340,022</u>	<u>1,205,192</u>

TREETOPS HOSPICE TRUST**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****24. Capital commitments**

At 31 March 2016 the group and company had capital commitments as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Contracted for but not provided in these financial statements	-	42,817	-	42,817

25. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

Group	2016	2015
	£	£
Not later than 1 year	120,054	106,137
Later than 1 and not later than 5 years	234,783	198,167
Later than 5 years	277,917	45,000
Total	632,754	349,304

26. Taxation

As a charity, Treetops Hospice Trust is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

27. Related party transactions

During the year 5 trustees made donations totalling £390 (2015: 6 trustees, £350). A number of trustees also donate goods to the retail shops.

There were no other related party transactions during the year (2015: None).

28. Controlling party

The company is controlled by its members. No individual member has overall control.