

**MAYDAY**  
TRUST

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**MAYDAY TRUST**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2014**

**Company number: 02911222**

**Charity number: 1035524**

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**DIRECTORS' AND TRUSTEES' REPORT**

**Year ended 31 March 2014**

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The trustees who are also the directors for the purposes of company law, are pleased to present their report and financial statements for the year ended 31 March 2014.

**Reference and Administrative Information**

|                             |   |
|-----------------------------|---|
| Charity Name                | Mayday Trust  |
| Charity Registration Number | 1035524   |
| Company Registration Number | 02911222  |
| Registered Office           | 10 Webb Ellis Business Park<br>Woodside Park<br>Rugby<br>Warwickshire<br>CV21 2NP |

**The Board of Trustees**

The Board of Trustees who served during the year and up to the date of this report were as follows:

J Arnold (Chair)  
N A Banister (resigned 16 May 2014)  
T Bovingdon (appointed 16 May 2014)  
C R Holman  
P Murray  
J P Reed  
L K Stacey (Vice Chair)  
C Turner (resigned 1 September 2014)  
A Trye

In accordance with the Articles of Association, C R Holman and A Trye will retire by rotation and, being eligible, A Trye will stand for re-appointment. Both C R Holman and L K Stacey have indicated their intention to stand down at the forthcoming AGM.

**Company Secretary**

G Jackson

**Senior Executive Team**

Chief Executive – P McArdle  
Director of Corporate Services – G Jackson  
Director of Operations – D Cusack  
Director of Business Development – J Hay (from 21 October 2013)

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**DIRECTORS' AND TRUSTEES' REPORT**

**Year ended 31 March 2014**

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**Auditors**

Clement Keys LLP  
Chartered Accountants  
Statutory Auditors  
No. 8 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1QT

**Investment Managers**

Aberdeen Asset Management Limited  
10 Queen's Terrace  
Aberdeen  
AB10 1YG

**Bankers**

HSBC Bank plc  
15 Church Street  
Rugby  
Warwickshire

**Bankers**

Santander  
1st Floor Venture Court  
Wolverhampton Business Park  
Wolverhampton

**Constitution and general objectives**

***Governing Document***

The organisation is a charitable company limited by guarantee, having no share capital. It was incorporated on 22 March 1994 and registered as a charity on 23 March 1994. The charitable company was established under a Memorandum of Association, which was last amended on 16 March 2009 and which established its objects and powers, and it is governed under its Articles of Association. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

***Recruitment and Appointment of Trustees***

The directors of the company are also charity Trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association one third of the Trustees or the nearest number to one third of their number if not divisible by three, must retire from office at each annual General Meeting. Retiring Trustees are eligible for re-election.

Trustees have the power to appoint Trustees to fill the casual vacancies or add to the number of Trustees but these must be ratified at the next Annual General Meeting. The Board of Trustees must comprise between three and nine members.

***Trustee Induction and Training***

Trustees continue to attend relevant training programmes as required for the role.

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**DIRECTORS' AND TRUSTEES' REPORT**

**Year ended 31 March 2014**

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***Risk Management***

The Trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks Mayday Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. All risks are reviewed at the Board meetings, which occur every 9 weeks. All policies and procedures are regularly reviewed and updated to account for any changes in legislation.

***Organisational Structure***

The Trustees are responsible for ensuring that Mayday Trust has appropriate systems of controls, financial and otherwise. The Trustees provide reasonable assurance that:

- Mayday Trust is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within Mayday Trust or for publication is reliable; and
- Mayday Trust complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan and an annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Chief Executive and Senior Executive Team, under instruction from the Board of Trustees, carries out the day-to-day management of Mayday Trust.

**Objectives and Activities**

The charitable company's objects are:

- (i) To carry on for the benefit of the community the business of providing houses, hostels, supported housing or any other housing and associated amenities, services or assistance for vulnerable adults and others resident in the United Kingdom (the "area of benefit") who are homeless or in need, suffering hardship or distress or who have suffered a legal restriction on their liberty, on terms appropriate to their means.

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**DIRECTORS' AND TRUSTEES' REPORT**

**Year ended 31 March 2014**

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- (ii) To provide within the area of benefit, support, advice and counselling for those who are suffering from, or who may have suffered from alcohol, drug or substance misuse upon terms appropriate to their means.
- (iii) Within the area of benefit, to provide for the elderly or other vulnerable persons with a disability (including mental and learning or associated disabilities) in need of accommodation specially designed or adapted to meet the disabilities and requirements of such persons and to provide associated amenities, advice or assistance.
- (iv) To promote any other charitable purpose and in particular the relief of poverty.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives set.

***Vision***

Mayday's vision is for a world where individuals, families and communities thrive.

***Mission***

Mayday Trust invests in people's talents and abilities through life changing opportunities that overcome barriers and achieve aspirations.

***Values***

- *We See Talent:* We build on strengths, abilities and potential.
- *No Limits:* Mayday sees no limits to what we can achieve as individuals or as an organisation.
- *People First:* Mayday works with people first, not labels. For us it's the individuals that matter.
- *Together:* Mayday encourages partnerships with individuals, groups and organisations that share our ideals.
- *Every Contribution Counts:* At Mayday everyone's view, opinion and actions matter.
- *Integrity:* Mayday is passionately committed to being open, honest and trustworthy.
- *Embracing Diversity:* Mayday will value and grow diversity, and explicitly challenge issues of inequality.

***Operating Principles***

- Mayday Trust works in a way that makes a positive difference to the lives of our clients.
- Mayday Trust provides value for money services to its funders.
- Mayday Trust works in partnership with its stakeholders, clients and other agencies – sharing best practice by cross-agency engagement.
- Mayday Trust delivers quality services through focussed and empowered employees.
- Mayday Trust continually reviews and improves its performance, through effective monitoring and outcome reviews, encouraging and enabling all employees and clients at Mayday Trust to fulfil their potential.
- Mayday Trust recruits, develops and retains excellent employees, using their talents to the full.
- Mayday Trust ensures that it meets the Public Benefit requirements of the Charities Act 2011.

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**DIRECTORS' AND TRUSTEES' REPORT**

**Year ended 31 March 2014**

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**Strategic Report**

**Strategic Aims**

- Gain recognition as a leading social justice organisation enabling people coming to Mayday to have an **influential voice**.
- Become an organisation of inspirational people creating the cultural and structural changes required to make a difference to individual lives; **2 strands - preventing youth homelessness and working with people facing multiple disadvantages** to enable them to thrive.
- Deliver transformative **evidence based work that changes lives** while sustaining continuous improvement through innovation.
- **Reach more people, deliver more services, activities and opportunities.**
- Achieve **financial sustainability**.

**Strategic Objectives**

- Develop **policy work** and contribute to debates on welfare reform through capturing the voice of people coming to Mayday.
- Finalise work on **Mayday Inspire** and deliver a proof of concept that will inform future Mayday services and ways of working.
- Remodel services for people within **Mayday Learning Ability Foyer**.
- Develop and implement new **accommodation strategy**.
- Develop robust **governance, infrastructure and central functions** to ensure fit for purpose for new work.
- Implement a robust **income strategy** which will ensure the long term future of the Trust.

**Principal Risks and uncertainties**

- *Loss of income / reduction of funding*  
One of the Trust's main sources of public funding, 'Supporting People' is at risk due to the removal of the government ring fence that has protected this spending for the last 5 years. Mayday will face a reduction of funds if we are unable to replace this income. For this year we have been able to replace a 20% reduction in this income in Central Bedfordshire.
- *Welfare reform*  
Due to new reforms to welfare benefits there has been an increase in sanctions for individuals who fail to comply with job centre requirements, this has meant that Mayday has experienced increased non payment of personal housing service charges. Additionally there is a greater demand for Mayday accommodation due to the introduction of the 'bedroom tax' and people coming to Mayday who are being refused at other services due to bad debts or behaviour issues
- *Integrating new business*  
Mayday has identified risk attached to introducing new work and new contracts and integrating these into the current business. There is a requirement to account to a number of different funders so new IT and finance systems and protocols are required as well as new operational policies to insure accountability and non duplication of services.
- *Inadequate governance*  
Mayday is preparing for social investment and other new funding mechanisms. This will require a review of governance procedures to ensure that the Trust is fit for purpose.
- *Pension liability*  
There is a potential liability for the Trust with its Pension plan – details are given in Note 20 to the accounts.

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**DIRECTORS' AND TRUSTEES' REPORT**

**Year ended 31 March 2014**

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**Report of the Chief Executive – Pat McArdle**

We are delighted to report that Mayday has had another successful year. The Trust has expanded services into Oxford where we are delivering new and innovative work targeting people experiencing homelessness. We have also successfully undertaken a major upgrade of our systems and operations to prepare for new funding mechanisms such as social investment.

We have extended our services to work with people who are not residents of Mayday, for example we work in partnership with A4e, a prime contractor delivering support to people who are long term unemployed.

The main achievements of the year have been:

- Investment by Lankelly Chase, who have funded a 2 year proof of concept pilot for our new model of working with a range of people experiencing homelessness.
- Agreement by Northamptonshire County Council to pilot a 'payment by results' project for 18 to 24 year olds who have complex needs and have no access to other services.
- Funding from the Social Investment Business to work with Numbers for Good, an intermediary company who have supported us to become 'investment ready'.
- Development and expansion of our work with prolific offenders in Bedfordshire.
- Continuation of our partnership with the YHA by receiving funding to give young people in Warwickshire the opportunity to develop through travel and outdoor activities.
- Successful application to deliver 2 additional health hubs in Warwickshire and Bedfordshire

Despite a back drop of increased demand and severe local authority cuts, Mayday has managed to increase access to services and end the year with a healthy financial surplus. At a time when many charities are dipping into reserves to sustain services, Mayday has benefited from robust finance systems and controls.

The Trust has invested in staff training and coaching following on from an organisational restructure in 2013. The ambition is to position Mayday as a market leader in services for people going through challenging life transitions such as homelessness, leaving prison, moving from care or special education.

Mayday has sustained all its existing contracts and increased accommodation income by increasing the number of units managed by the Trust.

In preparation for 2014 onwards when some of these contracts will end, Mayday has increased income from Trusts and Foundations and has developed partnerships which will assist the Trust in attracting investment and sub contracts for future years. Mayday is aware that income will reduce in Northamptonshire from £692k to approximately £350k and as such this has been planned for by savings made through the 2013 remodel. Therefore this will not impact on client services or current frontline staff.

Mayday plans to use some of the reserves in the next financial year to carry out an upgrade of the current IT infrastructure as well as use £50k to invest in new work.

**Financial Review**

***Principal Funding Sources***

The charity's principal funding sources are Housing Benefit and Supporting People Grants.



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**DIRECTORS' AND TRUSTEES' REPORT**

**Year ended 31 March 2014**

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***Investment Performance***

The charity's investment portfolio increased in overall value during the year by £8,291. During the year realised gains of £7,533 (reinvested in the fund) were made and at the year end the market value adjustment was an unrealised gain of £758. The average yield of the portfolio, incorporating market value movements and investment income was 12.6% (2013: 12.6%).

***Investment policy***

The investment policy of Mayday Trust is that investments are managed to provide both capital growth and an income based return based on a 70/30 split. The funds are invested in Aberdeen Investment Managers' Ethical World and Responsible UK Equity investment funds and their Charity Select UK Bond. The funds provide a balance of managed risk – at least 80% being medium and low risk. The Trustees operate an Ethical investment policy and the funds do not include investments in industries which may have a negative impact on society such as tobacco, alcohol, human exploitation, or pornography.

***Reserves policy***

The Trustees have reviewed the reserves of Mayday Trust and have formulated its reserve policy, which is in line with Charity Commission recommendations. 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 the equivalent of six months overheads be the target level for reserves to ensure continuity of charitable operations. This equates to a requirement of approximately £1.2m.

During the year Mayday's general reserves increased from £469,832 to £817,650 whilst its designated funds increased from £2,308,349 to £2,230,630. At 31 March 2014 Mayday's free reserves (that is those unrestricted reserves represented by assets other than tangible fixed assets) were £1,215,534.

Restricted funds decreased from £43,716 to £10,070. Mayday has a number of designated and restricted funds. The purpose of these funds is detailed in notes 16 and 17 in the financial statements.

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**DIRECTORS' AND TRUSTEES' REPORT**

**Year ended 31 March 2014**

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**Statement of Trustees' Responsibilities**

The trustees (who are also directors of Mayday Trust for the purposes of company law) are responsible for preparing the Directors' and Trustees' Report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

The auditors, Clement Keys LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

Approved by the board on 21 November 2014 and signed on its behalf by

  
J Arnold  
Trustee

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**MAYDAY TRUST**  
**(A company limited by guarantee)**

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We have audited the financial statements of Mayday Trust for the year ended 31 March 2014 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, Balance Sheet and the related notes. 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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8 the directors (who are also the trustees of the charitable company for the purpose of charity 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its 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.

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(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MAYDAY TRUST (continued)**  
(A company limited by guarantee)

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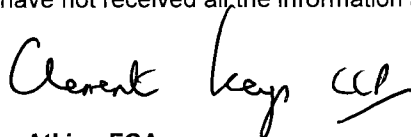
**Opinion on other matter prescribed by Companies Act 2006**

In our opinion the information given in the Directors' and Trustees' Report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



**Simon Atkins FCA**

**Senior Statutory Auditor**  
for and on behalf of:

**CLEMENT KEYS LLP**  
Chartered Accountants  
Statutory Auditors

**No. 8 Calthorpe Road**  
**Edgbaston**  
**Birmingham**  
**B15 1QT**

**Date: 21 November 2014**

**MAYDAY TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
Year ended 31 March 2014

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2014<br>Total<br>£ | 2013<br>Total<br>£ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Incoming resources</b>   |      |                            |                          |                    |                    |
| <b>Incoming resources from generated funds</b>                                      |      |                            |                          |                    |                    |
| <i>Voluntary income</i>   |      |                            |                          |                    |                    |
| Donations and legacies  | 2    | 6,518                      | 32,314                   | 38,832             | 85,238             |
| Investment income   | 3    | 19,030                     | -                        | 19,030             | 19,217             |
| <b>Incoming resources from charitable activities</b>                                |      |                            |                          |                    |                    |
| Grants and funding for provision of accommodation                                   | 4    | 3,499,725                  | 139,539                  | 3,639,264          | 3,551,350          |
| Other income  |      | 27,356                     | -                        | 27,356             | 15,728             |
|   |      | <u>3,552,629</u>           | <u>171,853</u>           | <u>3,724,482</u>   | <u>3,671,533</u>   |
| <b>Total incoming resources</b>   |      |                            |                          |                    |                    |
| <b>Resources expended</b>   |      |                            |                          |                    |                    |
| <b>Costs of generating funds</b>  |      |                            |                          |                    |                    |
| Costs of raising funds  | 6a   | 54,063                     | -                        | 54,063             | -                  |
| Investment management costs   | 5    | 5,793                      | -                        | 5,793              | 5,041              |
| <b>Charitable activities</b>  |      |                            |                          |                    |                    |
| Costs in furtherance of charitable objects  | 6b   | 3,377,141                  | 205,499                  | 3,582,640          | 3,348,729          |
| Exceptional costs   | 6c   | -                          | -                        | -                  | 210,924            |
| <b>Governance costs</b>   | 7    | 17,841                     | -                        | 17,841             | 21,718             |
|   |      | <u>3,454,838</u>           | <u>205,499</u>           | <u>3,660,337</u>   | <u>3,586,412</u>   |
| <b>Total resources expended</b>   |      |                            |                          |                    |                    |
| <b>Net incoming resources for the year before other recognised gains and losses</b> |      | 97,791                     | (33,646)                 | 64,145             | 85,121             |
| <b>Other recognised gains and losses</b>  |      |                            |                          |                    |                    |
| Unrealised gains on revaluation of tangible fixed assets                            | 10   | 221,125                    | -                        | 221,125            | 64,017             |
| Realised gains on disposal of tangible fixed assets                                 |      | 34,950                     | -                        | 34,950             | -                  |
| Unrealised gains on investments   | 11   | 758                        | -                        | 758                | 74,312             |
|   |      | <u>354,624</u>             | <u>(33,646)</u>          | <u>320,978</u>     | <u>223,450</u>     |
| <b>Net movement in funds</b>  |      |                            |                          |                    |                    |
| <b>Reconciliation of funds</b>  |      |                            |                          |                    |                    |
| Balances brought forward  |      | 3,613,238                  | 43,716                   | 3,656,954          | 3,433,504          |
|   |      | <u>3,967,862</u>           | <u>10,070</u>            | <u>3,977,932</u>   | <u>3,656,954</u>   |
| Balances carried forward  |      |                            |                          |                    |                    |

The notes on pages 15 to 29 form part of these financial statements.

**MAYDAY TRUST**  
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**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**Year ended 31 March 2014**

|  | Note | 2014<br>£   | 2013<br>£   |
|--|------|-------------|-------------|
| <b>Income</b>                          |      | 3,705,452   | 3,652,316   |
| Expenditure                            |      | (3,660,337) | (3,586,412) |
| <b>Net operating surplus</b>           |      | 45,115      | 65,904      |
| <b>Other income</b>                    |      |             |             |
| Interest receivable and similar income | 3    | 19,030      | 19,217      |
| <b>Net surplus for the year</b>        |      | 64,145      | 85,121      |

The Statement of Financial Activities incorporates the Statement of Total Recognised Gains and Losses required by FRS 3.

All of the activities of the charitable company are classified as continuing.

The notes on pages 15 to 29 form part of these financial statements.

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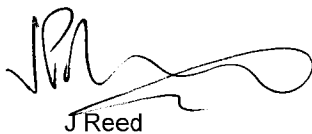
**BALANCE SHEET**  
as at 31 March 2014

Registered Number 02911222

|  | Note | 2014             |                  | 2013           |                  |
|--|------|------------------|------------------|----------------|------------------|
|  |      | £                | £                | £              | £                |
| <b>Fixed assets</b>  |      |                  |                  |                |                  |
| Tangible assets  | 10   |                  | 2,752,328        |                | 2,781,900        |
| Investments  | 11   |                  | 717,681          |                | 709,390          |
|  |      |                  | <u>3,470,009</u> |                | <u>3,491,290</u> |
| <b>Current assets</b>  |      |                  |                  |                |                  |
| Debtors  | 12   | 151,618          |                  | 156,928        |                  |
| Cash at bank and in hand                                       |      | 1,263,100        |                  | 830,799        |                  |
|  |      | <u>1,414,718</u> |                  | <u>987,727</u> |                  |
| <b>Creditors:</b> amounts falling due within one year          | 13   | (362,248)        |                  | (475,739)      |                  |
|  |      |                  | <u>1,052,470</u> |                | <u>511,988</u>   |
| <b>Net current assets</b>                                      |      |                  |                  |                |                  |
|  |      |                  | <u>4,522,479</u> |                | <u>4,003,278</u> |
| <b>Total assets less current liabilities</b>                   |      |                  |                  |                |                  |
| <b>Creditors:</b> amounts falling due after more than one year | 14   |                  | (544,547)        |                | (346,324)        |
|  |      |                  | <u>3,977,932</u> |                | <u>3,656,954</u> |
| <b>Net assets</b>  |      |                  |                  |                |                  |
| <b>Funds</b>   |      |                  |                  |                |                  |
| <b>Unrestricted funds</b>                                      |      |                  |                  |                |                  |
| Designated funds   | 16   |                  | 2,230,630        |                | 2,308,349        |
| General funds  | 16   |                  | 817,650          |                | 469,832          |
| Revaluation  | 16   |                  | 919,582          |                | 835,057          |
| <b>Restricted Funds</b>  | 17   |                  | 10,070           |                | 43,716           |
|  |      |                  | <u>3,977,932</u> |                | <u>3,656,954</u> |

The notes on pages 15 to 29 form part of these financial statements.

These financial statements were approved by the Board of Trustees on the 21 November 2014 and are signed on their behalf by:



J Reed

**Trustee**



J Arnold

**Trustee**

**MAYDAY TRUST**  
**(A company limited by guarantee)**

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**CASH FLOW STATEMENT**

**Year ended 31 March 2014**

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|   |    | <b>2014</b> | <b>2013</b> |
|---|----|-------------|-------------|
|   |    | <b>£</b>    | <b>£</b>    |
| Net cashflow from operating activities                          | 22 | 228,593     | 667,979     |
| Returns on investment and servicing of finance                  | 23 | 4,248       | 3,199       |
| Capital expenditure and financial investment                    | 24 | 192,211     | (721,834)   |
| Financing   | 25 | 7,249       | 6,279       |
|   |    | <hr/>       | <hr/>       |
| Increase in cash in the year                                    | 26 | 432,301     | (44,377)    |
|   |    | <hr/> <hr/> | <hr/> <hr/> |
| <b>Reconciliation of net cash flow to movement in net funds</b> |    |             |             |
| Net funds at 1 April  |    | 830,799     | 875,176     |
| Increase in cash  |    | 432,301     | (44,377)    |
|   |    | <hr/>       | <hr/>       |
| <b>Net Funds at 31 March</b>                                    | 26 | 1,263,100   | 830,799     |
|   |    | <hr/> <hr/> | <hr/> <hr/> |



**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2014**

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**1 Accounting policies**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and investments, and include the results of the charitable company's operations which are described in the Directors' and Trustees' Report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice - 'Accounting and Reporting by Charities', the Companies Act 2006 and applicable accounting standards.

**1.2 Fund accounting**

***Restricted funds***

Restricted funds represent grants and donations which are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

***Unrestricted funds and designated funds***

Unrestricted funds represent funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company. Such funds may be held in order to finance both working capital and capital investment. Designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the trustees for particular projects. The designation is for administrative purpose only and does not legally restrict the trustees' discretion to apply the fund. Details are set out in note 16.

**1.3 Incoming resources**

Incoming resources represents accommodation charges net of voids, Supporting People grants, Local Authority funding, Social Services funding and gifts and donations.

Local Authority, Social Services and Supporting People funding payments are brought into the accounts in the period to which they relate according to when they are ascertainable by the Trust.

The following specific policies are applied to particular categories of income:

- Voluntary income by way of grants, legacies, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when it becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charitable company where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charitable company earns the right to consideration by its performance. Where income is received in advance of performance it is treated as deferred income and included within creditors.

**MAYDAY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2014**

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**1 Accounting policies (continued)**

**1.4 Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**1.5 VAT**

Value added tax is not recoverable by the charitable company, and as such is included in the relevant costs in the Statement of Financial Activities and tangible fixed assets.

**1.6 Tangible fixed assets and depreciation**

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 | 2.5% straight line |
| Equipment         | 25% straight line  |

The charity's capitalisation limit for fixed assets is £2,500. All purchases below this de minimis limit are expensed in the accounting period in which they are purchased.

**1.7 Operating leases**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

**1.8 Investments**

Investments are included in the financial statements at the stated Aberdeen Asset Manager's Fund Managed market value being closing bid price. Freehold properties have been independently valued (see note 10).

**1.9 Pension costs**

The charitable company contributes to the personal pension schemes of certain of its employees. Contributions are charged to the Statement of Financial Activities in the year in which they are incurred. The assets of the schemes are held separately from those of the charity.

**MAYDAY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

| <b>2</b> | <b>Donations</b>   | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>2014<br/>Total<br/>£</b> | <b>2013<br/>Total<br/>£</b> |
|----------|--|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
|          | Donations and legacies                                       | 6,518                               | 32,314                            | 38,832                      | 85,238                      |
|          |  | <u>6,518</u>                        | <u>32,314</u>                     | <u>38,832</u>               | <u>85,238</u>               |
| <b>3</b> | <b>Investment income</b>                                     | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>2014<br/>Total<br/>£</b> | <b>2013<br/>Total<br/>£</b> |
|          | Listed investments   | 14,782                              | -                                 | 14,782                      | 16,018                      |
|          | Bank interest receivable                                     | 4,248                               | -                                 | 4,248                       | 3,199                       |
|          |  | <u>19,030</u>                       | <u>-</u>                          | <u>19,030</u>               | <u>19,217</u>               |
| <b>4</b> | <b>Grants and funding for provision<br/>of accommodation</b> | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>2014<br/>Total<br/>£</b> | <b>2013<br/>Total<br/>£</b> |
|          | Gross accommodation charges                                  | 2,251,701                           | -                                 | 2,251,701                   | 2,100,784                   |
|          | Accommodation voids  | (183,489)                           | -                                 | (183,489)                   | (92,143)                    |
|          | Local Authority funding                                      | -                                   | 39,766                            | 39,766                      | 39,766                      |
|          | Probation funding  | 45,640                              | -                                 | 45,640                      | 13,655                      |
|          | Supporting People Grant                                      | 1,385,873                           | -                                 | 1,385,873                   | 1,391,734                   |
|          | Social Services funding                                      | -                                   | 99,773                            | 99,773                      | 97,554                      |
|          |  | <u>3,499,725</u>                    | <u>139,539</u>                    | <u>3,639,264</u>            | <u>3,551,350</u>            |
| <b>5</b> | <b>Investment management costs</b>                           | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>2014<br/>Total<br/>£</b> | <b>2013<br/>Total<br/>£</b> |
|          | Investment Portfolio<br>management fees                      | 5,793                               | -                                 | 5,793                       | 5,041                       |
|          |  | <u>5,793</u>                        | <u>-</u>                          | <u>5,793</u>                | <u>5,041</u>                |

**MAYDAY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

| 6a | <b>Cost of raising funds</b> | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>2014<br/>Total<br/>£</b> | <b>2013<br/>Total<br/>£</b> |
|----|------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
|    | Fundraising consultants      | 38,015                              | -                                 | 38,015                      | -                           |
|    | Fundraiser salary            | 15,568                              | -                                 | 15,568                      | -                           |
|    | Legal fees                   | 480                                 | -                                 | 480                         | -                           |
|    |                              | <u>54,063</u>                       | <u>-</u>                          | <u>54,063</u>               | <u>-</u>                    |

**6b Cost of charitable activities**

The Trustees consider that the main charitable activity of Mayday Trust is the provision of good quality housing and support services to vulnerable people. Accordingly the costs of the charitable company are attributable to this single purpose.

Support costs comprise the salary and pension costs of certain individuals employed in management and administrative roles via head office. Other head office costs have been classified as direct charitable costs on the basis that they support directly the work of the various schemes.

| <b>Provision of charitable services</b>     | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>2014<br/>Total<br/>£</b> | <b>2013<br/>Total<br/>£</b> |
|---|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| <b>Direct costs</b>                         |                                     |                                   |                             |                             |
| Wages and salaries                          | 1,226,391                           | 187,813                           | 1,414,204                   | 1,508,339                   |
| Depreciation                                | 93,436                              | -                                 | 93,436                      | 93,501                      |
| Housing Association charges and rental      | 530,725                             | -                                 | 530,725                     | 497,949                     |
| Repairs and renewals                        | 143,578                             | 10,651                            | 154,229                     | 129,371                     |
| Computer costs                              | 35,036                              | -                                 | 35,036                      | 31,322                      |
| Security costs                              | 112,429                             | -                                 | 112,429                     | 17,523                      |
| Council tax and rates                       | 99,095                              | -                                 | 99,095                      | 87,608                      |
| Light and heat                              | 123,932                             | -                                 | 123,932                     | 121,682                     |
| Telephone and broadband                     | 29,344                              | -                                 | 29,344                      | 28,763                      |
| Insurance                                   | 44,309                              | -                                 | 44,309                      | 44,150                      |
| Advertising and marketing                   | 53,863                              | -                                 | 53,863                      | 20,746                      |
| Residents recreation and training           | 9,431                               | 7,035                             | 16,466                      | 75,614                      |
| Consultancy and professional fees           | 100,743                             | -                                 | 100,743                     | 83,974                      |
| Bad debts                                   | 73,937                              | -                                 | 73,937                      | 31,341                      |
| Licences and rentals                        | 19,553                              | -                                 | 19,553                      | 20,396                      |
| Office supplies and printing                | 13,676                              | -                                 | 13,676                      | 13,489                      |
| Travel expenses                             | 67,672                              | -                                 | 67,672                      | 42,607                      |
| Staff training recruitment & other HR costs | 109,758                             | -                                 | 109,758                     | 43,805                      |
| Health & Safety costs                       | 22,345                              | -                                 | 22,345                      | 11,947                      |
| Environmental costs                         | 17,480                              | -                                 | 17,480                      | 23,779                      |
| Cleaning costs                              | 34,050                              | -                                 | 34,050                      | 23,429                      |
| Loan interest                               | 11,791                              | -                                 | 11,791                      | -                           |
| Other expenses                              | 47,061                              | -                                 | 47,061                      | 47,440                      |
|   | <u>3,019,635</u>                    | <u>205,499</u>                    | <u>3,225,134</u>            | <u>2,998,775</u>            |
| <b>Support costs</b>                        |                                     |                                   |                             |                             |
| Wages and salaries                          | 357,506                             | -                                 | 357,506                     | 349,954                     |
|   | <u>3,377,141</u>                    | <u>205,499</u>                    | <u>3,582,640</u>            | <u>3,348,729</u>            |

**MAYDAY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

|           |  | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2014<br>Total<br>£ | 2013<br>Total<br>£ |
|-----------|--|----------------------------|--------------------------|--------------------|--------------------|
| <b>6c</b> | <b>Exceptional Costs</b>                                 |                            |                          |                    |                    |
|           | Redundancy and other costs<br>in relation to restructure | -                          | -                        | -                  | 210,924            |
|           |  |                            |                          |                    |                    |
| <b>7</b>  | <b>Governance costs</b>                                  |                            |                          |                    |                    |
|           | Trustee expenses and training                            | 1,053                      | -                        | 1,053              | 897                |
|           | Audit fees   | 6,260                      | -                        | 6,260              | 6,630              |
|           | Legal fees   | 10,515                     | -                        | 10,515             | 14,191             |
|           | Other costs  | 13                         | -                        | 13                 | -                  |
|           |  |                            |                          |                    |                    |
|           |  | 17,841                     | -                        | 17,841             | 21,718             |
|           |  |                            |                          |                    |                    |
| <b>8</b>  | <b>Employees' and Trustees' remuneration</b>             |                            |                          |                    |                    |
|           | The aggregate payroll costs were:                        |                            |                          |                    |                    |
|           | Wages and salaries                                       |                            |                          | 1,410,678          | 1,541,319          |
|           | Agency costs   |                            |                          | 190,585            | 139,984            |
|           | Social security costs                                    |                            |                          | 127,614            | 139,430            |
|           | Other pension costs                                      |                            |                          | 45,972             | 23,417             |
|           | Benefit in kind  |                            |                          | 12,430             | 14,144             |
|           |  |                            |                          |                    |                    |
|           |  |                            |                          | 1,787,279          | 1,858,294          |
|           |  |                            |                          |                    |                    |

No trustee received remuneration during the year (2013: £nil).

Expenses totalling £558 were paid to three Trustees in respect of travel and subsistence (2013: £897 paid to four trustees). The charitable company paid health insurance premiums of £663 in respect of three Trustees (2013: £359). During the year an amount of £1,060 (2013: £1,060) was paid in respect of trustee indemnity insurance.

Expenses totalling £2,316 (2013 - £2,412) were paid to the Chief Executive during the year for travel and meetings.

The table below shows details of the employees who on annualised basis received remuneration (including benefits) in excess of £60,000.

**MAYDAY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

**8 Employees' and Trustees' remuneration (continued)**

|                   | <b>2014</b> | <b>2013</b> |
|-------------------|-------------|-------------|
|                   | <b>No.</b>  | <b>No.</b>  |
| £60,000 - £70,000 | 2           | -           |
| £70,000 - £80,000 | 1           | 1           |
|                   | =           | =           |

**Particulars of employees:**

The average number of full time equivalent staff employed by the charitable company during the financial year amounted to:

|             | <b>2014</b> | <b>2013</b> |
|-------------|-------------|-------------|
|             | <b>No.</b>  | <b>No.</b>  |
| Head office | 10          | 10          |
| Schemes     | <u>56</u>   | <u>62</u>   |
|             | 66          | 72          |
|             | =           | =           |

**9 Net incoming resources**

Net incoming resources are stated after charging:

|                              | <b>2014</b>    | <b>2013</b>    |
|------------------------------|----------------|----------------|
|                              | <b>£</b>       | <b>£</b>       |
| Depreciation of owned assets | 93,436         | 93,501         |
| Auditors' remuneration       | 6,260          | 6,630          |
| Operating lease rentals:     |                |                |
| - plant and machinery        | 16,103         | 16,564         |
| - land and buildings         | 530,725        | 497,949        |
|                              | <u>546,524</u> | <u>614,644</u> |

**MAYDAY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

| 10 Tangible fixed assets | Freehold<br>property<br>£ | Equipment<br>£ | Total<br>£ |
|--------------------------|---------------------------|----------------|------------|
| <b>Cost or valuation</b> |                           |                |            |
| At 1 April 2013          | 2,740,000                 | 480,834        | 3,220,834  |
| Additions                | -                         | 57,739         | 57,739     |
| Disposals                | (215,000)                 | -              | (215,000)  |
| Revaluation              | 158,000                   | -              | 158,000    |
|                          | <hr/>                     | <hr/>          | <hr/>      |
| At 31 March 2014         | 2,683,000                 | 538,573        | 3,221,573  |
| <b>Depreciation</b>      |                           |                |            |
| At 1 April 2013          | -                         | 438,934        | 438,934    |
| Charge for the year      | 63,125                    | 30,311         | 93,436     |
| Revaluation adjustment   | (63,125)                  | -              | (63,125)   |
|                          | <hr/>                     | <hr/>          | <hr/>      |
| At 31 March 2014         | -                         | 469,245        | 469,245    |
| <b>Net book value</b>    |                           |                |            |
| At 31 March 2014         | 2,683,000                 | 69,328         | 2,752,328  |
|                          | <hr/>                     | <hr/>          | <hr/>      |
| At 31 March 2013         | 2,740,000                 | 41,900         | 2,781,900  |
|                          | <hr/>                     | <hr/>          | <hr/>      |

The tangible fixed assets are all held for charitable purposes. In respect of assets stated at valuations, the comparable historical cost and depreciated values are as follows:

|   | 2014<br>£ | 2013<br>£ |
|---|-----------|-----------|
| <b>Net book value of revalued tangible fixed assets</b> |           |           |
| Net book value at the end of year                       | 2,683,000 | 2,740,000 |
|   | <hr/>     | <hr/>     |
| Historical cost   | 2,088,906 | 2,178,906 |
|   | <hr/>     | <hr/>     |
| <b>Depreciation</b>                                     |           |           |
| At 1 April 2013   | 192,457   | 137,984   |
| Charge for year   | 52,223    | 54,473    |
|   | <hr/>     | <hr/>     |
| At 31 March 2014  | 244,680   | 192,457   |
|   | <hr/>     | <hr/>     |
| <b>Net historical cost book value</b>                   |           |           |
| At 31 March 2014  | 1,844,226 | 1,986,449 |
|   | <hr/>     | <hr/>     |
| At 31 March 2013  | 1,986,449 | 1,366,324 |
|   | <hr/>     | <hr/>     |

The properties owned by the charity were independently valued at open market value by Mr Nigel J Dale FRICS of Stores Chartered Surveyors on 23 June 2011. This was a full valuation. A desktop valuation was carried out by the same individual in May 2014.

**MAYDAY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2014**

| <b>11</b> | <b>Fixed asset investments</b>  | <b>2014</b>       | <b>2013</b>       |
|-----------|---|-------------------|-------------------|
|           |   | <b>£</b>          | <b>£</b>          |
|           | <b>Movement in market value</b>   |                   |                   |
|           | Market value of investments at 1 April 2013   | 709,390           | 625,339           |
|           | Additions   | 7,533             | 9,739             |
|           | Unrealised gains on revaluation in the year   | 758               | 74,312            |
|           |   | <u>          </u> | <u>          </u> |
|           | Market value of investments at 31 March 2014  | 717,681           | 709,390           |
|           |   | <u>          </u> | <u>          </u> |
|           | Historical cost of investments (excluding costs) at 31 March 2014                   | 636,873           | 627,884           |
|           |   | <u>          </u> | <u>          </u> |
|           | The investments comprise of a portfolio of funds managed by Aberdeen Fund Managers. |                   |                   |
|           | <b>Investments at market value comprise:</b>  |                   |                   |
|           |   | <b>£</b>          |                   |
|           | Charity Select UK Bond Acc Fund   | 210,999           |                   |
|           | Aberdeen Ethical World Acc I Shares OEIC  | 204,332           |                   |
|           | Aberdeen Responsible UK Equity Fund Acc A Share OEIC                                | 302,350           |                   |
|           |   | <u>          </u> |                   |
|           |   | 717,681           |                   |
|           |   | <u>          </u> |                   |



**MAYDAY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

| <b>12 Debtors</b>  | <b>2014</b>    | <b>2013</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Other debtors  | 121,799        | 70,078         |
| Prepayments  | 29,819         | 86,850         |
|  | <u>151,618</u> | <u>156,928</u> |
| <b>13 Creditors: amounts falling due within one year</b> | <b>2014</b>    | <b>2013</b>    |
|  | <b>£</b>       | <b>£</b>       |
| Advance rental receipts                                  | 20,274         | 34,103         |
| Other creditors  | -              | 3,269          |
| Other taxation and social security                       | 42,104         | 37,919         |
| Accruals and purchase ledger balances                    | 240,663        | 307,907        |
| Deferred income  | 25,992         | 72,983         |
| Bank loan  | 33,215         | 19,558         |
|  | <u>362,248</u> | <u>475,739</u> |

Included within other creditors is an amount of £nil (2013: £3,269) payable in respect of outstanding pension contributions.

Bank loans include two bank loans which are repayable over 15 years, interest is charged at 2.62% above base rate. The bank loans are secured on 15 St Andrews Road.

| <b>14 Creditors: amounts falling due after one year</b> | <b>2014</b>    | <b>2013</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Bank loan   | 544,547        | 346,324        |
|   | <u>544,547</u> | <u>346,324</u> |

Bank loans are secured – see note 13.

The loan is repayable as follows:

|                            | <b>2014</b>    | <b>2013</b>    |
|----------------------------|----------------|----------------|
|                            | <b>£</b>       | <b>£</b>       |
| Within one year            | 33,215         | 19,558         |
| Between one and two years  | 34,266         | 20,200         |
| Between two and five years | 109,444        | 64,517         |
| In five years or more      | <u>400,837</u> | <u>261,607</u> |
|                            | <u>577,762</u> | <u>365,882</u> |

**MAYDAY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

**15 Commitments under operating leases**

At 31 March 2014 the charity had annual commitments under non-cancellable operating leases as set out below:

|                                | 2014                       |                     | 2013                       |                     |
|--------------------------------|----------------------------|---------------------|----------------------------|---------------------|
|                                | Land and<br>buildings<br>£ | Other<br>items<br>£ | Land and<br>buildings<br>£ | Other<br>items<br>£ |
| Operating leases which expire: |                            |                     |                            |                     |
| Within one year                | 538,919                    | 12,486              | 543,632                    | 21,034              |
| Within 2 to 5 years            | 34,323                     | 8,809               | 11,985                     | 3,151               |
|                                | <u>573,242</u>             | <u>21,295</u>       | <u>555,617</u>             | <u>24,185</u>       |

**16 Unrestricted Funds**

|   | Balance at<br>01.04.2013<br>£ | Incoming<br>resources<br>£ | Movement in resources      |                                      | Balance at<br>31.03.2014<br>£ |
|---|-------------------------------|----------------------------|----------------------------|--------------------------------------|-------------------------------|
|   |                               |                            | Utilised/<br>released<br>£ | Transfers and<br>gains/(losses)<br>£ |                               |
| <b>Designated</b>                         |                               |                            |                            |                                      |                               |
| Tangible fixed asset fund                 | 2,028,349                     | -                          | -                          | (114,795)                            | 1,913,554                     |
| Property repair fund                      | 150,000                       | -                          | -                          | -                                    | 150,000                       |
| IT upgrade fund                           | 80,000                        | -                          | -                          | -                                    | 80,000                        |
| Marketing and website<br>development fund | 50,000                        | -                          | (12,924)                   | -                                    | 37,076                        |
| Proof of concept project                  | -                             | -                          | -                          | 50,000                               | 50,000                        |
|   | <u>2,308,349</u>              | <u>-</u>                   | <u>(12,924)</u>            | <u>(64,795)</u>                      | <u>2,230,630</u>              |
| <b>Other charitable funds</b>             |                               |                            |                            |                                      |                               |
| General                                   | 469,832                       | 3,552,629                  | (3,441,914)                | 237,103                              | 817,650                       |
| Revaluation                               | 835,057                       | -                          | -                          | 84,525                               | 919,582                       |
|   | <u>3,613,238</u>              | <u>3,552,629</u>           | <u>(3,454,838)</u>         | <u>256,833</u>                       | <u>3,967,862</u>              |

The income of the charity includes the above designated funds which have been set aside out of unrestricted funds by the Trustees for a specific purpose.

**Tangible fixed asset fund**

The purpose of this fund is to fund the future depreciation of fixed assets.

**Property repair fund**

The trustees are aware that all schemes will require refurbishment on an ongoing basis. Dilapidation surveys are being carried out on all schemes and a programme will be implemented to bring all properties up to decent home standards.

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(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

**16 Unrestricted Funds – continued**

**IT upgrade fund**

Most of the computer equipment is now several years old. This fund has been set up by the trustees to cover an ongoing programme of upgrading and replacement.

**Marketing and website development fund**

The trustees wish to develop the website and other marketing materials and have set aside funds for this purpose.

**Proof of concept project**

The pilot in 2014/15 will work with 220 people experiencing homelessness over a 2 year period. The aim is to provide us with us with a robust evidence base for our new model. It is being jointly funded by Mayday Trust, Oxford City and County Councils and Lankelly Chase.

**17 Restricted Funds**

|                      | <b>Movement in resources</b>           |                                     |                                       | <b>Balance at<br/>31.03.2014<br/>£</b> |
|----------------------|--|-------------------------------------|---------------------------------------|--|
|                      | <b>Balance at<br/>01.04.2013<br/>£</b> | <b>Incoming<br/>resources<br/>£</b> | <b>Utilised/<br/>(released)<br/>£</b> |  |
| Floating Support     | 1,206                                  | 4,350                               | (5,556)                               | -                                      |
| Mayday House         | 20,920                                 | 99,773                              | (120,693)                             | -                                      |
| Learning ability     | 9,571                                  | -                                   | (9,571)                               | -                                      |
| Bedford              | 1,080                                  | 39,766                              | (40,846)                              | -                                      |
| Northampton          | 10,070                                 | -                                   | -                                     | 10,070                                 |
| Healthy Conversation | -                                      | 26,855                              | (26,855)                              | -                                      |
| Central              | 869                                    | 1,109                               | (1,978)                               | -                                      |
|                      | <u>43,716</u>                          | <u>171,853</u>                      | <u>(205,499)</u>                      | <u>10,070</u>                          |

The restricted funds consist of donations and grants made to Mayday Trust for use solely on the specified housing projects. The funds are used to maintain the properties in a good state of repair and for refurbishments as and when required.

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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

| 18 | Analysis of net assets    | Tangible<br>fixed<br>assets<br>£ | Investment<br>assets<br>£ | Other<br>net<br>assets<br>£ | Total<br>£       |
|----|---------------------------|----------------------------------|---------------------------|-----------------------------|------------------|
|    | <b>Restricted funds</b>   |                                  |                           |                             |                  |
|    | Northampton               | -                                | -                         | 10,070                      | 10,070           |
|    | <b>Unrestricted funds</b> | 2,752,328                        | 717,681                   | 497,853                     | 3,967,862        |
|    |                           | <u>2,752,328</u>                 | <u>717,681</u>            | <u>507,923</u>              | <u>3,977,932</u> |

**19 Company limited by guarantee**

The company is limited by guarantee and does not have a share capital. Each member's liability is limited to a maximum of £1.

As at 31 March 2014 there were 21 members of the charitable company (2013: 28 members).

**20 Pensions obligations**

Mayday Trust participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

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**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2014**

**20 Pensions obligations – continued**

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Mayday Trust paid contributions at the rate of 5% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.

As at the balance sheet date there were 10 active members of the Plan employed by Mayday Trust. Mayday Trust continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

|  | % p.a. |
|--|--------|
| Rate of return pre retirement          | 4.9    |
| Rate of return post retirement:        |        |
| Active/Deferred                        | 4.2    |
| Pensioners                             | 4.2    |
| Bonuses on accrued benefits            | 0.0    |
| Inflation: Retail Prices Index (RPI)   | 2.9    |
| Inflation: Consumer Prices Index (CPI) | 2.4    |

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2014**

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**20 Pensions obligations – continued**

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2013. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £982 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

**MAYDAY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

**21 Capital Commitments**

At 31 March 2014 the charitable company had capital commitments as follows:

|  | <b>2014</b>       | <b>2013</b>  |                    |
|--|-------------------|--------------|--------------------|
|  | <b>£</b>          | <b>£</b>     |                    |
|  | -                 | 55,000       |                    |
| <hr/>  |                   |              |                    |
| <b>22 Net Cash flow from Operating Activities</b>        | <b>2014</b>       | <b>2013</b>  |                    |
|  | <b>£</b>          | <b>£</b>     |                    |
| Net incoming resources                                   | 64,145            | 85,121       |                    |
| Investment income  | (19,030)          | (19,217)     |                    |
| Depreciation   | 93,436            | 93,501       |                    |
| Decrease/(increase) in debtors                           | 5,310             | (44,491)     |                    |
| (Decrease)/increase in creditors due within one year     | (113,491)         | 206,741      |                    |
| Increase in creditors due after more than one year       | 198,223           | 346,324      |                    |
|  | <hr/>             | <hr/>        |                    |
| Net cash inflow from operating activities                | 228,593           | 667,979      |                    |
| <hr/>  |                   |              |                    |
| <b>23 Returns on investment and Servicing of Finance</b> | <b>2014</b>       | <b>2013</b>  |                    |
|  | <b>£</b>          | <b>£</b>     |                    |
| Interest received  | 4,248             | 3,199        |                    |
| <hr/>  |                   |              |                    |
| <b>24 Capital expenditure and financial investment</b>   | <b>2014</b>       | <b>2013</b>  |                    |
|  | <b>£</b>          | <b>£</b>     |                    |
| Purchase of tangible fixed assets                        | (57,739)          | (721,834)    |                    |
| Proceeds from disposal of tangible fixed assets          | 249,950           | -            |                    |
|  | <hr/>             | <hr/>        |                    |
|  | 192,211           | (721,834)    |                    |
| <hr/>  |                   |              |                    |
| <b>25 Financing</b>                                      | <b>2014</b>       | <b>2013</b>  |                    |
|  | <b>£</b>          | <b>£</b>     |                    |
| Dividends received reinvested                            | 14,782            | 16,018       |                    |
| Purchase of investments                                  | (7,533)           | (9,739)      |                    |
|  | <hr/>             | <hr/>        |                    |
|  | 7,249             | 6,279        |                    |
| <hr/>  |                   |              |                    |
| <b>26 Analysis of Changes in Net Funds</b>               | <b>At 1 April</b> | <b>Cash</b>  | <b>At 31 March</b> |
|  | <b>2013</b>       | <b>flows</b> | <b>2014</b>        |
|  | <b>£</b>          | <b>£</b>     | <b>£</b>           |
| Cash in hand and at bank                                 | 830,799           | 432,301      | 1,263,100          |
|  | <hr/>             | <hr/>        | <hr/>              |

**MAYDAY TRUST**  
**(A company limited by guarantee)**

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**DONORS**

**Year ended 31 March 2014**

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Mayday Trust would like to thank all those who supported us during 2013/14. In particular, we would like to thank the many trusts, organisations and individuals who have contributed to our work with financial and in-kind donations.

The Foyer Federation  
Unipart Ltd  
Mr & Mrs C Holman  
Maud Elkington Trust  
Just Giving. Com  
Michael Varah Memorial Fund  
Leighton Buzzard Methodist Church  
Daventry Rotary Club  
Co-op Bedford  
Warwickshire County Council  
St Giles Trust  
Blackthorn Good Neighbours  
Homeless FA  
Youth Hostel Association  
Barley Mow, Rugby  
Giving.com  
E McArdle  
Mrs J Hyde  
Daventry Badby Parish  
Miss J Rayner  
In memory of Andy Stallman