



MAYDAY
TRUST

MAYDAY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2017

Company number: 02911222
Charity number: 1035524

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2017

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 2017.

Reference and Administrative Information

Charity Name	Mayday Trust
Charity Registration Number	1035524
Company Registration Number	02911222
Registered Office	10c Littlegate Street Oxford OX1 1QT

The Board of Trustees

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

A Meehan (Chair)	
S Brown	
V Bowen	(appointed 21 October 2016)
A Hudson	(appointed 21 October 2016)
J McEver	(appointed 21 October 2016)
J Mollring	(appointed 21 October 2016)
T Murtha	(appointed 21 October 2016)
K Starling	(appointed 21 October 2016)
B Wheelwright	(appointed 8 August 2016)
J Arnold	(resigned 16 December 2016)
T Bovingdon	(resigned 16 December 2016)
P Murray	(resigned 26 April 2016)
J P Reed	(resigned 2 August 2016)

Company Secretary

D Grant

Senior Executive Team

Chief Executive – P McArdle
Director of Corporate Services – G Jackson (until 28 October 2016)
Director of Corporate Services – R Deane (from 21 October 2016)
Director of Operations – D Cusack (until 2 September 2016)
Director of Operations – D Hurst (from 12 October 2016)
Director of Development – L Mumford

Auditors

PKF Cooper Parry Group Limited
Chartered Accountants
Statutory Auditors
Park View, One Central Boulevard
Blythe Valley Business Park
Solihull B90 8BG

Investment Managers

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

Bankers

HSBC Bank plc
15 Church Street
Rugby
Warwickshire

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Structure, governance and management

Governing Document

Having formed in 1976, in 1979 Mayday Trust was established as a registered charity and in 1994 became a company limited by guarantee, having no share capital.

The charitable company was established under a Memorandum of Association, which was last amended on 21 October 2016 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. Trustees have the power to appoint Trustees to fill the casual vacancies or add to the number of Trustees. Trustees are recruited by an open and transparent process having regard to the skills and experience required to carry out the duties of the Trust. The Board of Trustees must comprise between three and twelve members.

Trustees hold office for a period not exceeding 3 years, with the option of standing for re-election for a further two periods of 3 years. By exception the Trustees may extend the appointment of an individual with special expertise. Trustees are inducted using paper-based information and service visits, along with induction meetings with the Chair and Chief Executive.

The Board meets at least four times a year and trustees focus on governance and strategy, significant new business, risk and financial issues. The Board is supported by Nominations, Remuneration and Finance Sub Committees.

Trustee Induction and Training

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

Organisational Structure

The day to day management of the organisation is delegated to the Chief Executive, who is supported by a Senior Management Team comprising of a Director of Corporate Services who acts as Company Secretary and has responsibility for finance, IT and HR, a Director of Operations who has responsibility for service delivery and the Trust's supported accommodation and a Director of Development who has responsibility for income generation, marketing and influencing.

Pay policy for senior staff

The Board of Directors, who are the Trust's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All Directors give of their time freely and no Director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 8 to the accounts.

The pay of the senior staff is reviewed and benchmarked against pay levels in other charities of a similar size and operation. The remuneration bench-mark may be adjusted for any additional responsibilities.

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Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. Further details on the activities undertaken by Mayday Trust during the year are given above under "Principal Activities & Geographical Coverage" and also in the "Performance Overview".

Nature, Objectives and Strategies of the business

Mayday Trust works with people going through the toughest of times – homelessness, leaving care, coming out of prison, fleeing violence.

We believe that tough times should be a brief transition in someone's life, not a life choice or a life sentence.

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.
- (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.

Legal and Policy Context

Mayday Trust is governed by the Charity Commission rules, the Companies Act and the regulatory frameworks of service commissioners. In particular, this includes the Supporting People Quality Assessment Framework and other commissioner-specific standards. The Charity has no statutory obligation to provide services but some of the services provided are covered by legislation including Children's Acts, which apply to all service provision for young people and children.

Principal activities and geographical coverage

Mayday Trust has been in existence since 1979, operating across Warwickshire, Northamptonshire and Bedfordshire and more recently in Oxfordshire. From 2011, as a result of austerity and a challenging external environment caused by extensive welfare reform, Mayday decided to begin a comprehensive review of its work and talk to people experiencing homelessness on their general experience of homelessness services. As a result of the feedback, between 2011 and 2015 Mayday researched and developed a new approach to tackling homelessness called a Personal Transitions Service (PTS).

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Following early indications of the success and interest in this approach, in October 2015, the Trustees of Mayday made the strategic decision to align all of Mayday activities to delivering the PTS and influencing other organisations in the sector to do the same. Mayday would continue to provide accommodation in areas where the PTS was commissioned.

The Trust continues to provide activities to people experiencing homelessness, young people leaving care, people coming from institutions, prison or psychiatric hospitals; all men and women who are going through the most challenging of life transitions.

Warwickshire

Mayday provided 62 units of accommodation for people experiencing homelessness in Warwick, Leamington Spa and Rugby as well as 26 units of accommodation for people with learning disabilities in Rugby.

During the year, Mayday re tendered for this work, proposing to embed the PTS as an alternative to more traditional support models. Mayday lost the contract in Warwickshire for its homelessness services and due to the nature of the new learning disability contract was sadly not in a position to continue to provide accommodation or services to people with learning disabilities.

Mayday ceased work in Warwickshire in December 2016.

Northamptonshire

Mayday provided 83 units of supported housing in Northampton, Wellingborough and Daventry. Mayday has also delivered the PTS to all those living in Mayday accommodation as well as a number of people living in the community.

Northamptonshire County Council has worked closely with Mayday as the new approach developed and in 2016 started work on a partnership pilot project to deliver the PTS to young people experiencing homelessness. This pilot would be a first for the County in being a 100% payment by results contract supported through social investment. 100 young people would benefit from the three year pilot called "Be the Change".

Mayday have also worked with Enable on a Lottery funded peer employment programme called Talent Match which has been successful in preparing for and finding young people training, volunteering and employment.

Bedfordshire

Mayday operated in Central Bedfordshire delivering 36 units of supported accommodation for people previously experiencing homelessness. In Bedford, Mayday provided 19 units of specialist accommodation for people with mental health issues.

This year the Trust made the difficult decision to withdraw from the Bedford mental health contract as the nature of the work did not align to the Trust's new direction. In Central Bedfordshire, although the local commissioners were very keen on Mayday's approach, they did not believe it fitted within their more traditional service specification.

Mayday ceased services in Bedfordshire in November 2016.

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Oxfordshire

Mayday was co funded by the City and County Council and a number of Trust funders who invested in a proof of concept for Mayday's new Personal Transition Service. This was the second year of a two year pilot and there was considerable learning from the pilot both for Mayday and also for the wider homelessness sector.

Mayday was successful in winning two of the County's homeless pathway projects for people with 'complex needs' who were previously living long term at a city hostel and 'complex progression' for people who were previously classed as 'complex needs' but assessed as having the ability to move to less secure accommodation. Mayday was one of two organisations responsible for the closing down of a long term hostel and providing quality housing in the community for people who had not had their own independent accommodation for a long time.

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2017

Performance Overview

During 2016 Mayday Trust carried out a significant internal transition which aimed to align the organisation against a new strategic vision and direction as set out by the Board of Trustees in their October 2015 strategy day.

As mentioned in the 2016 Performance Overview, Mayday decided to invest in a new approach to tackling homelessness in the knowledge that this was likely to result in a material deficit during the 2016/17 and 2017/18 Financial Years. The deficit for the year is in line with the Trustees' expectations at the start of the restructuring process and reflects the costs of closing locations and discontinuing operations.

The transitioned organisation is now fit for purpose with the capacity to grow and expand in areas that will be identified in the new 2017-2020 strategic plan.

Background

At a strategic planning day in October 2015, Mayday Board of Trustees made the decision to focus the future vision and direction of the Trust on two strategic goals:

- Delivery of the new model of work developed by Mayday named a Personal Transition Service (PTS) being the first personalised and asset/strength based approach to tackling homelessness, developed at the grass roots and aiming to become a successful alternative to more traditional approaches such as supported housing or floating support.
- Use the learning from the 'wisdom from the street' (a Mayday inquiry listening to the views of people experiencing homelessness about the services they receive) to influence nationally the need for system change and the need to transform services to personalised and asset based approaches.

There was a number of reasons why the Trustees decided to pursue these goals:

- The Mayday team had invested in developing a new approach to tackling homelessness following a robust service review that had taken place in 2011. Since that time, there was growing evidence that the new model was working for individuals who would be previously labelled homeless with 'complex needs'.
- Through the Trust's partnership with the Search Institute in the US, the Institute advised that the model needed to be 'tested' on at least 2000 people to demonstrate a credible level of success and viability.
- The external climate of austerity and government reform was having a significant impact on the supported housing sector and the future threat to limit funding in this area was viewed as highly likely. This meant that it was critical to come up with positive alternatives in order to sustain support to those who needed it most.
- Learning from the pilot work on the model was significant and was attracting national interest from government, local commissioners and other providers. A number of Trusts had already invested in the pilot work.
- Internally, Trustees carried out a number of scenario planning exercises, which showed with prudent investment of reserves and implementation of actions from a recent governance review, that between 2016 and 2020, the organisation had the leadership, capacity and finances to undertake the transformation required to achieve its strategic goals.
- The Board of Trustees had explored a number of future options for the Trust. There was collective agreement by the Board and senior team, that survival of the organisation for survival's sake was not a consideration. However, the early indications from the new work and the Trust's financial situation meant that Trustees were willing to pursue the more ambitious option of nationally launching the new Personal Transition Service.

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2017

Details of the transition

In January 2016, the senior management team produced a 12 month plan focussing on the actions required to align the organisation to the new strategic goals. There were three keys areas within the final transition plan;

1. A review of existing operations to identify what was required to move to a position where Mayday would deliver only the new model;
2. Developing an influencing strategy which was a new area of work for the Trust;
3. Implementing the actions from the 2015 governance review including recruitment of new Board members with the relevant knowledge, skills and commitment to oversee the new vision and direction.

Review of existing operations

Mayday Trust has primarily been funded through housing benefit income from rental of the Trust's small housing portfolio of 250 units and local authority 'supporting people' income, a previously ring-fenced government fund for providing support to people experiencing homelessness. In 2015 the Trust held seven local authority contracts in Northamptonshire, Bedfordshire, Central Bedfordshire and two in both Warwickshire and Oxfordshire. The challenge for the Trust in transforming to a new operating model, particularly at a time of uncertain government funding, was to balance financial security against the mission (i.e. in areas where commissioners would not support the new model, Mayday would be willing to give up the contract).

The Board required four year projections and cash-flows with scenario planning around each of the contracts. Monthly milestones were set to monitor progress on retendering of contracts and discussions on varying existing contracts to deliver the new work. The year ended with the Trust maintaining three contracts to deliver work in two regions, Oxfordshire and Northamptonshire, losing two contracts, one in Warwickshire and Central Bedfordshire and withdrawing from two contracts in Bedford and Warwickshire.

Both Oxfordshire and Northamptonshire were very committed to Mayday's new work and the Board made the decision to withdraw from providing a learning disability service in Warwickshire and a mental health service in Bedford as commissioners involved were not willing to vary their traditional contracts. Central Bedfordshire was disappointed that Mayday did not win the contract as they were very interested in the model but the experience of the tendering process highlighted the need for commissioning and procurement systems to change to enable innovation and new ways of working to be contracted. The commissioner's comment was 'Mayday's model was so different, we needed a bridge to be able to commission this service'.

As a result of the contract negotiations and subsequent agreements, the Trust implemented plans to restructure the senior and central office teams. The four year plan would be, to rebuild the work of the Trust to a similar turnover to previous years of £3-4m so some leadership capacity was maintained to allow this to happen. The central office previously in Rugby moved to Oxford alongside the restructure of the central team.

Developing an influencing strategy

The Inquiry that the Trust had carried out with people using homelessness services and the subsequent co production of the new way of working, had given the Trust significant insight into the barriers to implementing real change in the sector and the system challenges that need to be tackled if we are to achieve better sustainable outcomes for people going on a transition from homelessness.

Influencing and sharing the experiences of the Trust's work from 2011 was new to Mayday so the senior team implemented an initial 12 month plan to evaluate interest in the learning and appetite for alternative approaches to tackling homelessness. The Trust in partnership with Homeless Link, the national membership organisation for homelessness providers, also held two national events, in London and in Manchester.

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2017

Achievements

This year the Trust succeeded in achieving all of the objectives set out in the 2016/2017 Business Plan, specifically;

1. To **transform and restructure Mayday** to become an organisation, best able to deliver the Mayday mission and strategic aims
 - a. Transition plan implemented;
 - b. Central office moved to Oxford.
2. To use the learning and evidence produced through Mayday Inspire **Proof of concept** in Oxford and wider trust learning to inform the development of Mayday services and how services are delivered within the wider homelessness sector
 - a. Events held in London and Manchester with over 70 organisations interested in the new approach and 33 local authority commissioners;
 - b. Learning from the proof of concept informed operational practice.
3. To develop and implement an **Influencing Strategy** based on our learning and evidence that informs, influences and encourages the wider homelessness network to move toward transitions based services
 - a. Influencing strategy developed and implementation on-going;
 - b. Local, regional and national interest in the work.
4. To develop a new transitional **accommodation offer** across our services that moves people out of sector based housing and into communities by partnering with independent housing providers
 - a. 26 new units of accommodation
5. To continue to develop an **internal culture** of responsiveness, inclusiveness and flexibility that empowers staff and volunteers to take ownership, innovate and learn through reflective practice and continued professional development.
 - a. Teams established to develop and embed elements of the new culture focusing on language, leadership style, empowering front line staff, developing a one team approach with regular organisational meetings to reflect and learn.
6. To ensure our **governance and central infrastructure** are fit for purpose to support fast paced innovation and quality delivery through regular and honest governance and strategic reviews.
 - a. Governance review completed and actions implemented;
 - b. New Board and 2 new SMT members appointed.
7. To implement a diverse and **robust income strategy** that sustains but does not restrict our ability to deliver innovative work by focussing on areas of income that are less restrictive, including social investment.
 - a. The first social impact bond agreed by First for Well Being (a Community interest Company with involvement from Northampton County Council, Northamptonshire Health Foundation Trust and Northampton College)

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People Outcomes

Mayday worked with 418 people during the financial year, of whom:

- 72% sustained accommodation
- 40% entered employment, education or training
- 70% reduced their instances of reoffending
- 30% reduced their risk of substance misuse
- 67% did not report attendance at Accident & Emergency
- 78% increased their social networks

Financial Review

Our income has fallen from £4m in 2016 financial to £3m in 2017 financial year as a result of Mayday's change in strategic direction, moving away from large-scale support provided under current frameworks toward delivering personalised support through the use of developmental assets. This is expected to continue before stabilising in 2018.

Expenditure has fallen by £550k compared to the previous year; there were two main reasons for expenditure dropping more slowly than income; these are the costs of restructuring Mayday's operations and the decision to reduce and attempt to eliminate Mayday's pension liability. The pension decision is discussed in greater detail within the notes to the financial statements. As a result, our unrestricted reserves have fallen from £4.2m to £3.8m.

The Board has designated a total of £1m of reserves as detailed in Note 16. In addition, there is a pension provision of £340k included in these accounts, which has increased from £287k at the previous year end.

Investment policy

In investing the charity's assets, the trustees have to balance competing priorities. These are to use the assets to generate a reasonable income, whilst investing them safely and in such a way that they are easily accessible in order to support cash flow or to make up a funding shortfall.

Market volatility, the requirement to fund the restructure of Mayday's services and the desire to eliminate Mayday's pension liability were the reasons behind the sale of 75% of the equity fund investments during the year. At the year end Mayday had £158k invested (see note 11). The sale of redundant property has increased Mayday's free reserves significantly and the trustees are currently reviewing the Trust's investment strategy.

Given the flexibility and multiple uses of these investments coupled with low interest rates during the year, it is the trustees' opinion that the return on investments was reasonable.

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Year ended 31 March 2017

Risk Management

The Trustees are responsible for the management of the risks faced by the charity and are assisted by the Senior Management Team. Risks are identified, assessed and controls established throughout the year. The Trustees are satisfied that the major risks identified have been mitigated where necessary. It is recognised that systems cannot eliminate all risks but only provide assurance that the identified risks have been managed.

The principal risks to the charity in the year and mitigating actions, have been;

Loss of income/ reduction in funding

- Establish new income generation strategy
- Financial scenario planning to manage potential cuts
- Strict financial controls in place
- Introduction of monthly management accounts and cash flow forecasts

Over dependence on local authority Supporting People income

- New growth plan developed which aims to diversify funding

Significant increase in housing income arrears due to new Welfare reform

- Regular monitoring
- Plan to monitor the impact of Welfare Reform in place
- Budgets have been adjusted to reflect increase in personal sanctions

Inadequate governance

- Governance review completed by external consultants
- Actions from governance review being progressed
- Recruitment of new Board members has taken place

Reserves policy

The trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission. The trustees believe that in order to safeguard the charity's services and the obligations to staff and creditors in the event of delays in the receipt of grants, or any shortfall in fundraising income, approximately three month's running costs (which equates to £612k) should be held in free reserves (unrestricted reserves excluding tangible fixed assets and investments). Against this target we are holding £1,853k in free reserves at the year end. The improvement in the level of free reserves has arisen as a result of the sale of two properties located in regions where Mayday no longer works.

Total reserves amounted £3.8m, all of which are unrestricted. Of these, £0.6m have been designated by the trustees to reflect the investment made over the years in operational assets which are not convertible into cash without affecting the operational running of the business and are not therefore considered to be freely available. A further £104k has been designated by the Trustees to reflect the ongoing requirement to maintain Mayday's infrastructure and the potential for further relocation of Mayday's activities.

Going Concern

Under the governance requirements, the Board confirms that after making enquiries they have a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2017

Plans for the Future

Mayday has invested in a new way of tackling homelessness. Based on extensive feedback from people using our services, Mayday has transformed the charity and changed its strategic direction to further test and continue to develop the model, implementing an influencing strategy which aims to bring about a step change in the sector towards personalised and asset based approaches.

In pursuance of these two strategic goals of testing the model and influencing the sector, future plans are:

- To scale up the new work by working with 'innovation partners' other organisations who are prepared to work with Mayday in delivering the PTS and highlighting the need for system change to enable asset based and personalised services to become the norm;
- To work with local authority commissioners who are prepared to adapt commissioning processes to contract the PTS and enable the approach to be further tested;
- To lead on a movement for change by developing an influencing strategy targeted at national government, local commissioners and funders and homelessness and housing providers, aiming to end traditional and unsuccessful homelessness interventions and replace with personal transitions services;
- To explore alternative funding models which better fit delivery of the new model and will sustain Mayday into the future.

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.

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The directors are responsible for keeping adequate 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.

Approved by the board on 21 September 2017 and signed on its behalf by

A Meehan
Trustee

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
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We have audited the financial statements of Mayday Trust for the year ended 31 March 2017 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, Balance Sheet, Statement of Cash Flows 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 12 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 2017 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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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
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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 and the Directors' and Trustees' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' and Trustees' Report.

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:

PKF COOPER PARRY GROUP LIMITED
Chartered Accountants
Statutory Auditors

Park View
One Central Boulevard
Blythe Valley Business Park
Solihull B90 8BG

Date: 21 September 2017

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STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 March 2017

	Note	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Income from:					
Donations and legacies	2	116,616	143,119	259,735	289,067
Investments	3	14,107	-	14,107	21,510
Charitable activities	4	2,655,023	52,724	2,707,747	3,637,604
Other		26,890	-	26,890	63,877
		<u>2,812,636</u>	<u>195,843</u>	<u>3,008,479</u>	<u>4,012,058</u>
Expenditure on:					
Raising funds	6a	33,444	-	33,444	58,301
Investment management costs	5	2,681	-	2,681	6,351
Charitable activities	6b	3,408,417	270,497	3,678,914	4,200,528
		<u>3,444,542</u>	<u>270,497</u>	<u>3,715,039</u>	<u>4,265,180</u>
Unrealised gains/(losses) on investments	11	45,525	-	45,525	(49,183)
		<u>(586,381)</u>	<u>(74,654)</u>	<u>(661,035)</u>	<u>(302,305)</u>
Other recognised gains and losses					
Unrealised gains on revaluation of tangible fixed assets	10	-	-	-	719,000
Realised gains on sale of tangible fixed assets	10	150,000	-	150,000	-
		<u>(436,381)</u>	<u>(74,654)</u>	<u>(511,035)</u>	<u>416,695</u>
Reconciliation of funds					
Balances brought forward		4,252,469	74,654	4,327,123	3,910,428
Balances carried forward		<u>3,816,088</u>	<u>-</u>	<u>3,816,088</u>	<u>4,327,123</u>

The notes on pages 19 to 35 form part of these financial statements.

MAYDAY TRUST
(A company limited by guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT
Year ended 31 March 2017

	Note	2017 £	2016 £
Income		2,994,372	3,990,548
Expenditure		(3,705,581)	(4,248,210)
		<hr/>	<hr/>
Net operating deficit		(711,209)	(257,662)
Interest receivable and similar income	3	14,107	21,510
Interest payable and similar charges	6b	(9,459)	(16,970)
		<hr/>	<hr/>
Net deficit for the year		(706,561)	(253,122)
		<hr/> <hr/>	<hr/> <hr/>

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

The notes on pages 19 to 35 form part of these financial statements.

MAYDAY TRUST
(A company limited by guarantee)

BALANCE SHEET
as at 31 March 2017

Registered Number 02911222

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,962,640		3,526,254
Investments	11		157,713		739,042
			<u>2,120,353</u>		<u>4,265,296</u>
Current assets					
Debtors	12	267,486		285,031	
Cash at bank and in hand		2,369,124		1,025,002	
		<u>2,636,610</u>		<u>1,310,033</u>	
Creditors: amounts falling due within one year	13	(600,626)		(485,035)	
				<u>2,035,984</u>	<u>824,998</u>
Net current assets					
			<u>2,035,984</u>		<u>824,998</u>
Total assets less current liabilities					
			4,156,337		5,090,294
Creditors: amounts falling due after more than one year	14		-		(476,171)
Provisions for liabilities	20		(340,249)		(287,000)
			<u>3,816,088</u>		<u>4,327,123</u>
Net assets					
			<u>3,816,088</u>		<u>4,327,123</u>
Funds					
Unrestricted funds					
Designated funds	16		961,134		2,226,034
General funds	16		1,789,781		558,554
Revaluation reserve	16		1,405,422		1,754,881
Pension reserve	16		(340,249)		(287,000)
Restricted Funds	17		-		74,654
			<u>3,816,088</u>		<u>4,327,123</u>

The notes on pages 19 to 35 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 21 September 2017 and are signed on their behalf by:

A Meehan
Trustee

K Starling
Trustee

MAYDAY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS

Year ended 31 March 2017

		2017 £	2016 £
Cash used in operating activities	23	(451,660)	(130,013)
Cash flows from investing activities			
Interest Income		14,107	21,510
Sale/(Purchase) of tangible fixed assets		2,291,854	(98,739)
		_____	_____
Cash provided by (used in) investing activities		2,305,961	(77,229)
		_____	_____
Cash flows from financing activities			
Repayment of borrowing		(510,179)	(34,078)
		_____	_____
Cash used in financing activities		(510,179)	(34,078)
		_____	_____
Increase (decrease) in cash and cash equivalents in the year		1,344,122	(241,320)
Cash and cash equivalents at the beginning of the year		1,025,002	1,266,322
		_____	_____
Total cash and cash equivalents at the end of the year	24	2,369,124	1,025,002
		=====	=====

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

1 Accounting policies

1.1 Basis of preparation

Mayday Trust is a charity limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on 1 of these financial statements. The nature of the charity's operations and principal activities are the provision of good quality housing and support services to vulnerable people.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

- Voluntary income by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable and when the amounts are known with certainty and are measurable. 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 facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

1. Accounting policies (continued)

1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

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.

1.4 Fund accounting

Restricted funds

Restricted funds represent grants and donations received which are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds and designated funds

Unrestricted funds represent funds that are expendable at the discretion of the directors 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 are those funds which are unrestricted in nature but which have been designated by the directors to be used in a particular manner.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	- 2.5% straight line
Equipment	- 25% straight line

Assets purchased which are under £2,500 are expensed to the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

Accounting policies (continued)

1.6 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

1.7 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.8 Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

1.9 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

1.10 Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

1.11 Employee benefits & redundancy costs

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expenses as they become payable.

Redundancy costs arising from periodic reviews of staff levels are charged to the SoFA in the year in which employees leave the group.

1.12 VAT

VAT is not recoverable by the charitable company. Irrecoverable VAT is included within the relevant costs in the Statement of Financial Activities.

1.13 Tax

The charitable company is a charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

Accounting policies (continued)

1.14 Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

1.15 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

2	Grants, donations and legacies	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
	Grants, donations and legacies	116,616	143,119	259,735	289,067

Of the total income of £289,067 received in 2016, £37,694 related to unrestricted funds and £251,373 related to restricted funds.

3	Investment income	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
	Listed investments	11,277	-	11,277	16,487
	Bank interest receivable	2,830	-	2,830	5,023
		14,107	-	14,107	21,510

All investment income received in 2017 and 2016 related to unrestricted funds.

4	Grants and funding for provision of accommodation	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
	Gross accommodation charges	1,853,399	-	1,853,399	2,369,527
	Accommodation voids	(118,888)	-	(118,888)	(162,084)
	Local Authority funding	-	-	-	41,831
	Probation funding	32	-	32	50,981
	Supporting People Grant	920,480	-	920,480	1,229,215
	Social Services funding	-	52,724	52,724	108,134
		2,655,023	52,724	2,707,747	3,637,604

Of the total income of £3,637,604 received in 2016, £3,487,639 related to unrestricted funds and £149,965 related to restricted funds.

5	Investment management costs	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
	Investment Portfolio management fees	2,681	-	2,681	6,351

All investment management costs incurred in 2016 related to unrestricted funds.

MAYDAY TRUST
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

6a	Cost of raising funds	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
	Fundraiser salary costs	31,772	-	31,772	55,331
	Other costs	1,672	-	1,672	2,970
		<u>33,444</u>	<u>-</u>	<u>33,444</u>	<u>58,301</u>

All of the costs of raising funds incurred in 2016 related to unrestricted funds.

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.

	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Wages and salaries	1,336,660	246,459	1,583,119	1,983,439
Depreciation	48,614	-	48,614	118,116
Housing Association charges and rental	570,379	5,883	576,262	635,453
Repairs and renewals	114,070	-	114,070	194,233
Computer costs	65,474	-	65,474	76,277
Security costs	200,374	-	200,374	168,291
Council tax and rates	75,734	-	75,734	90,914
Light and heat	84,227	-	84,227	91,517
Telephone and broadband	47,466	-	47,466	39,051
Insurance	45,100	-	45,100	45,759
Advertising and marketing	22,452	-	22,452	13,359
Residents recreation and training	6,757	-	6,757	30,187
Volunteer costs	4,765	-	4,765	46,595
Consultancy and professional fees	126,208	10,317	136,525	123,033
Bad debts	(18,195)	-	(18,195)	111,928
Licences and rentals	6,697	-	6,697	9,137
Office supplies and printing	13,247	-	13,247	14,237
Travel expenses	78,221	1,854	80,075	85,803
Staff training recruitment & other HR costs	162,430	967	163,397	68,539
Health & Safety costs	5,182	-	5,182	14,216
Environmental costs	17,322	-	17,322	29,565
Cleaning costs	52,486	-	52,486	45,107
Loan interest	9,459	-	9,459	16,970
Other expenses	83,426	5,017	88,443	52,615
Governance costs (note 7)	57,636	-	57,636	13,187
Pension scheme costs (note 20):				
Interest expense	5,000	-	5,000	4,000
Change in assumptions	187,226	-	187,226	(4,000)
Change in contribution schedule	-	-	-	83,000
	<u>3,408,417</u>	<u>270,497</u>	<u>3,678,914</u>	<u>4,200,528</u>

Of the total costs of £4,200,528 incurred in 2016, £3,817,154 related to unrestricted funds and £383,374 related to restricted funds.

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

7	Governance costs	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
	Trustee recruitment	33,600	-	33,600	-
	Trustee expenses and training	259	-	259	279
	Audit fees	7,336	-	7,336	8,136
	Legal fees	16,428	-	16,428	4,772
	Other costs	13	-	13	-
		<u>57,636</u>	<u>-</u>	<u>57,636</u>	<u>13,187</u>
		<u><u>57,636</u></u>	<u><u>-</u></u>	<u><u>57,636</u></u>	<u><u>13,187</u></u>
8	Employees' and Trustees' remuneration			2017 £	2016 £
	The aggregate payroll costs were:				
	Wages and salaries			1,305,400	1,676,283
	Social security costs			119,982	145,860
	Agency costs			124,539	153,212
	Other pension costs			53,419	48,939
	Benefit in kind			11,551	14,476
				<u>1,614,891</u>	<u>2,038,770</u>
				<u><u>1,614,891</u></u>	<u><u>2,038,770</u></u>

No trustee received remuneration during the year (2016: £nil).

Expenses totalling £866 were paid to three Trustees in respect of travel and subsistence (2016: £655 paid to three trustees). The charitable company paid no health insurance premiums during the year in respect of trustees (2016: £167 in respect of one trustee). The company did not pay for trustee indemnity insurance (2016: £636). Expenses totalling £1,128 (2016: £1,100) were paid to the Chief Executive during the year for travel and meetings.

The total amount of employee benefits received by key management personnel is £289,609 (2016: £268,118). The charitable company considers its key management comprise the Chief Executive Officer, Director of Corporate Services, Director of Operations and Director of Development.

The employee benefits include redundancy payments made of £96,269 (2016: £nil). This was made up of statutory redundancy payments of £67,779 (2016: £nil), payments in lieu of notice of £11,491 (2016: £nil) and an ex-gratia payment of £15,000 (2016: £nil). All of the redundancy payments were unfunded.

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

MAYDAY TRUST
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

8 Employees' and Trustees' remuneration (continued)

	2017	2016
	No.	No.
£60,000 - £70,000	-	2
£70,000 - £80,000	1	1
	=	=

Pension payments in respect of the above employee was £3,625 (2015: three higher paid staff with pension contributions of £9,295).

Particulars of employees:

	2017	2016
	No.	No.
The average number of full time equivalent staff employed by the charitable company during the financial year amounted to:		
Head office	12	13
Schemes	<u>44</u>	<u>64</u>
	56	77
	=	=

The average number of employees employed by the charitable company during the financial year amounted to:

	No.	No.
Head office	12	13
Schemes	<u>46</u>	<u>66</u>
	58	79
	=	=

9 Net expenditure

	2017	2016
	£	£
Net expenditure is stated after charging:		
Depreciation of owned assets	48,614	118,116
Auditors' remuneration	7,336	8,136
Operating lease rentals:		
- plant and machinery	5,970	8,264
- land and buildings	576,262	635,453
	=	=

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

10	Tangible fixed assets	Freehold Property £	Equipment £	Total £
	Cost or deemed cost			
	At 1 April 2016	3,410,000	675,296	4,085,296
	Disposals	(1,515,000)	-	(1,515,000)
	At 31 March 2017	1,895,000	675,296	2,570,296
	Depreciation			
	At 1 April 2016	-	559,042	559,042
	Charge for the year	-	48,614	48,614
	At 31 March 2017	-	607,656	607,656
	Net book value			
	At 31 March 2017	1,895,000	67,640	1,962,640
	At 31 March 2016	3,410,000	116,254	3,526,254

In respect of assets stated at valuations, the comparable historical cost and depreciated values are as follows:

	2017 £	2016 £
Net book value of revalued tangible fixed assets		
Net book value at the end of year	1,895,000	3,410,000
Historical cost		
At 1 April 2016	2,088,906	2,088,906
Disposals	(1,227,526)	-
At 31 March 2017	861,380	2,088,906
Depreciation		
At 1 April 2016	349,126	296,903
Disposals	(129,044)	-
Charge for year	21,535	52,223
At 31 March 2017	241,617	349,126
Net historical cost book value		
At 31 March 2017	619,763	1,739,780
At 31 March 2016	1,739,780	1,792,003

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

The properties owned by the charity were independently valued at open market value by Mr Nigel J Dale FRICS of George & Company Chartered Surveyors on 17 June 2016. This was a full valuation. As permitted by the transition rules of FRS 102, the trustees have taken this value as deemed cost and ceased their policy of revaluation from 1 April 2016.

11	Fixed asset investments	2017	2016
		£	£
	Movement in market value		
	Market value of investments at 1 April 2016	739,042	778,089
	Additions	8,596	10,136
	Disposals	(635,450)	-
	Unrealised gains/(losses) on revaluation in the year	45,525	(49,183)
		<hr/>	<hr/>
	Market value of investments at 31 March 2017	157,713	739,042
		<hr/>	<hr/>
	Historical cost of investments (excluding costs) at 31 March 2017	27,527	654,381
		<hr/>	<hr/>

The investments comprise of a portfolio of funds managed by Aberdeen Fund Managers.

Investments at market value comprise:

	£
Aberdeen Ethical World Acc I Shares OEIC	65,883
Aberdeen Responsible UK Equity Fund Acc A Share OEIC	91,830
	<hr/>
	157,713
	<hr/>

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

12 Debtors	2017 £	2016 £
Other debtors	190,311	157,320
Prepayments	77,175	127,711
	267,486	285,031
	267,486	285,031
13 Creditors: amounts falling due within one year	2017 £	2016 £
Advance rental receipts	74,126	42,573
Other taxation and social security	20,958	48,787
Accruals and purchase ledger balances	385,542	235,299
Deferred income	120,000	124,368
Bank loan	-	34,008
	600,626	485,035
	600,626	485,035

Included within other creditors is an amount of £nil (2016: £8,775) payable in respect of outstanding pension contributions. An amount of £129,751 (2016: £nil) relates to amounts due within one year in respect of the extended transfer value exercise mentioned in notes 20 and 21.

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 these were repaid upon the sale of the property during this financial year.

14 Creditors: amounts falling due after one year	2017 £	2016 £
Bank loan	-	476,171
	-	476,171
	-	476,171

Bank loans are secured – see note 13.

The loan is repayable as follows:

	2017 £	2016 £
Within one year	-	34,008
Between one and two years	-	37,710
Between two and five years	-	116,481
In five years or more	-	321,980
	-	510,179
	-	510,179

MAYDAY TRUST
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

15 Commitments under operating leases

At 31 March 2017 the charity had future minimum lease payments under non-cancellable operating leases as set out below:

	2017		2016	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within one year	312,097	10,630	500,916	9,675
Within 2 to 5 years	-	-	-	3,700
	312,097	10,630	500,916	13,375
	312,097	10,630	500,916	13,375

16 Unrestricted Funds

	Balance at 01.04.2016 £	Incoming resources £	Movement in resources		Balance at 31.03.2017 £
			Utilised/ released £	Transfers and gains/(losses) £	
Designated					
Tangible fixed asset fund	1,856,034	-	-	(1,168,631)	687,403
Development fund	-	-	-	120,000	120,000
Property repair fund	150,000	-	-	-	150,000
IT upgrade fund	20,000	-	-	-	20,000
Restructuring fund	200,000	-	-	(96,269)	103,731
	2,226,034	-	-	(1,144,900)	1,081,134
Other charitable funds					
General	558,554	2,812,636	(3,391,293)	1,689,884	1,669,781
Revaluation reserve	1,754,881	-	-	(349,459)	1,405,422
Pension reserve	(287,000)	-	(183,000)	129,751	(340,249)
	4,252,469	2,812,636	(3,574,293)	325,276	3,816,088
	4,252,469	2,812,636	(3,574,293)	325,276	3,816,088

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.

Development fund

The trustees recognise that in expanding Mayday's new service offering, it is likely that the Trust will undertake contracts that will be loss making in nature. This fund is set aside to cover such costs.

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 this fund is set aside to cover any necessary works resulting from this.

MAYDAY TRUST
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

16 Unrestricted Funds (continued)

IT upgrade fund

This fund was established to finance the costs of upgrading Mayday Trust's technology infrastructure, it will cover the costs of changing its IT hardware and software.

Restructuring fund

This fund has been established to finance the costs of re-positioning and restructuring Mayday Trust, it will cover staff costs and the costs of moving location.

17 Restricted Funds

	Balance at 01.04.2016	Incoming resources	Movement in resources		Balance at 31.03.2017
	£	£	Utilised/ released	Transfers and gains/(losses)	£
Revenue					
Big Lottery Fund CBO					
Development Grant	-	15,000	(15,000)	-	-
Social Services Funding	-	52,724	(52,724)	-	-
Enable - Talent Match	-	78,769	(78,769)	-	-
Oxford Proof of Concept					
Project	74,654	10,000	(84,654)	-	-
Innovation Partnerships	-	12,350	(12,350)	-	-
Tudor Trust	-	27,000	(27,000)	-	-
	<u>74,654</u>	<u>195,843</u>	<u>(270,497)</u>	<u>-</u>	<u>-</u>

The restricted funds consist of donations and grants made to Mayday Trust for use solely on the specified housing and other projects.

In respect of the Oxford Proof of Concept Project, funding was received from Wates Foundation (£10,000).

MAYDAY TRUST
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

18 Analysis of net assets

	Tangible fixed assets £	Investment assets £	Other net assets £	Pension provision £	Total £
Restricted funds	-	-	-	-	-
Unrestricted funds	1,962,640	157,713	2,035,984	(340,249)	3,816,088
	<u>1,962,640</u>	<u>157,713</u>	<u>2,035,984</u>	<u>(340,249)</u>	<u>3,816,088</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 2017 there were 19 members of the charitable company (2016: 19 members).

20 Pension obligations

Mayday Trust participates in The Pension Trust - Growth Plan, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charitable company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Pension Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2013 to 31 March 2023:

£13.9m per annum
(payable monthly and increasing by 3% each on 1st April)

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

20 Pension obligations (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Pension Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum
(payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charitable company has agreed to a deficit funding arrangement the charitable company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	31 March 2017	31 March 2016	31 March 2015
	(£'000s)	(£'000s)	(£'000s)
Present value of provision	271	287	232

The Trustees consider the level of risk attached to Mayday Trust participating in a "last-man standing arrangement" to be greater than they deem acceptable and have engaged professional advisors to assist them in eliminating the Trust's pension liability. The exercise commenced prior to the year end and is ongoing. A number of members have transferred out of the scheme after the year end.

Because the exercise is likely to result in an elimination of all or most of the liability within the next financial year, the Trustees do not believe that it is appropriate to continue to provide for the liability on the basis of the present value of future contributions. Accordingly they have provided for the known costs of post year end transfers out of the scheme and the likely cost of buying out the residual liability. The provision has been increased to £470,000.

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

20 Pension obligations (continued)

Reconciliation of opening and closing provisions

	Period Ending 31 March 2017 (£000s)	Period Ending 31 March 2016 (£000s)
Provision at start of period	287	232
Unwinding of the discount factor (interest expense)	5	4
Deficit contribution paid	(159)	(28)
Remeasurements - impact of any change in assumptions	8	(4)
Remeasurements - amendments to the contribution schedule	-	83
Provision at end of period on a present value basis	141	287
Estimated cost of eliminating the liability early	199	-
Provision at end of period	340	287

Income and expenditure impact

	Period Ending 31 March 2017 (£000s)	Period Ending 31 March 2016 (£000s)
Interest expense	5	4
Remeasurements - impact of any change in assumptions	8	(4)
Remeasurements - amendments to the contribution schedule	-	83
Estimated cost of eliminating the liability early	199	-

Assumptions

	31 March 2017 % per annum	31 March 2016 % per annum	31 March 2015 % per annum
Rate of discount	1.32	2.07	1.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

MAYDAY TRUST
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

21 Capital Commitments

At 31 March 2017 and 31 March 2016 the charitable company had no capital commitments.

22 Post Balance Sheet Events

As a result of the re-positioning of Mayday Trust as detailed in the previous year's Directors' and Trustees' Report, the Trust is no longer working in certain geographic regions.

The Trustees took the decision to sell three Trust properties in those regions, two of which were sold during the current financial year. Subsequent to the balance sheet date the final property was sold for £420,000 and the proceeds on sale will be recognised in the accounts to 31 March 2018 and invested into the organisation going forward.

As mentioned in note 20, the Trust has commenced an exercise aimed at eliminating the Trust's pension liability. Subsequent to the year end, five members have transferred out of the scheme at a cost to the Trust of £129,751.

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

	2017	2016
	£	£
Net movement in funds	(706,560)	(253,122)
Add back depreciation charge	48,614	118,116
Deduct interest income shown in investing activities	(14,107)	(21,510)
Pension adjustments	183,000	55,000
Decrease/(increase) in debtors	17,545	(134,142)
Increase in creditors	19,848	105,645
	<hr/>	<hr/>
Net cash outflow from operating activities	(451,660)	(130,013)
	<hr/> <hr/>	<hr/> <hr/>

24 Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in hand	1,467,958	1,025,002
Notice deposits	901,166	-
	<hr/>	<hr/>
	2,369,124	1,025,002
	<hr/> <hr/>	<hr/> <hr/>

MAYDAY TRUST
(A company limited by guarantee)

DONORS, FUNDERS AND SUPPORTERS

Year ended 31 March 2017

Mayday Trust would like to thank all those who supported us during 2016/17. In particular, we would like to thank the many trusts, organisations, funders, local authorities and individuals who have contributed to our work with financial and in-kind donations.

Enable
Lankelly Chase Foundation
Wates Foundation
F Wing HMP Grendon
29th May 1961 Charitable Trust
Leighton Buzzard Methodist Church
Kate Mahon
Tudor Trust
Garfield Weston Foundation
Oxford Community Foundation
Patrick and Maggie Bates
Midcounties Co-operative Community Fund
M&N Heating & Plumbing

Big Lottery Fund

Northamptonshire County Council
Bedford Borough Council
Central Bedfordshire Council - Integrated Offender Management Accommodation project
Warwickshire County Council
Oxford City Council
Oxfordshire County Council

Everyone who has donated to us as one-off or regular donations and those who have taken part in fundraising events for Mayday Trust.