



MAYDAY
TRUST

MAYDAY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2018

Company number: 02911222
Charity number: 1035524

CONTENTS

	Page
Directors' and Trustees' Report	1
Independent Auditor's Report	11
Statement of Financial Activities	14
Summary Income and Expenditure Account	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18
Donors, Funders and Supporters	35

MAYDAY TRUST
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

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 2018.

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
A Hudson
J McEver
J Mollring
T Murtha
K Starling
B Wheelwright

Company Secretary

D Grant

Senior Executive Team

Chief Executive – P McArdle
Director of Corporate Services – R Deane (until 13 April 2017)
Director of Corporate Services – D Grant (from 12 June 2017 to 13 July 2018)
Director of Operations – D Hurst
Director of Development – L Mumford

Auditors	Investment Managers	Bankers
PKF Cooper Parry Group Limited Chartered Accountants Statutory Auditors Park View, One Central Boulevard Blythe Valley Park Solihull B90 8BG	Aberdeen Asset Management Limited 10 Queen's Terrace Aberdeen AB10 1YG	HSBC Bank plc 15 Church Street Rugby Warwickshire

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

Structure, governance and management

Summary of the year

2017-2018 saw significant progress towards the strategic goals of Mayday Trust (Mayday) and the annual business objectives.

These are detailed in the achievements and activities section below. However, of particular note is Mayday's work to redefine the mission and vision based on an exploration and deep reflection of the current problem definition for people experiencing homelessness. Mayday moved away from the original mission to end homelessness towards recognition that the system, when someone becomes homeless, was creating barriers which, at best, dehumanised the individual's experience and, at worst, institutionalised and trapped people in services.

As an alternative to traditional services Mayday successfully developed a new approach aimed at tackling homelessness and promoting systemic change. This year great progress has been made in building this movement for change by scaling the new approach with a number of organisations from across England which are rooted in their local communities and are willing to collaborate and coproduce Mayday's new Personal Transition Service (PTS).

Mayday has also achieved a higher profile within the homelessness and social care sector through a focused 'influence through doing' strategy.

Background

Austerity and the challenging external environment caused by extensive welfare reform led to Mayday implementing a comprehensive review of its work in 2011. As part of this review, Mayday talked to people experiencing homelessness on their general experience of homelessness services. Based on the feedback, between 2011 and 2015 Mayday researched and developed a new approach to tackling homelessness called the Personal Transitions Service (PTS).

In October 2015, following early indications of the success and interest in this approach, the Trustees set two strategic goals, aiming to align all of Mayday's activities to the delivery of PTS and the influencing of other organisations in the sector to do the same.

- Transform positively the experience of all people going through tough times, such as experiencing homelessness or leaving care, by delivering Mayday's PTS as a credible alternative to traditional housing related support or floating support across the country.
- Become a movement for change that utilises learning from people experiencing homelessness to influence systems change locally, regionally and nationally; and to promote and call for service transformation that delivers personalisation and asset-based approaches as the norm.

In 2017, a major development for Mayday was the introduction of Innovation Partnerships. These are arrangements with like-minded organisations that are committed to testing PTS with us and becoming involved in a movement for systemic change. From an initial 77 interested organisations, 9 partners

MAYDAY TRUST
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

were selected based on robust due diligence against the organisations' willingness to undergo internal cultural change and to contribute to the call for wider, systemic change and their belief in the values which underpin the PTS. Furthermore, 2 partners have been trained to deliver the new Model.

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, directors are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The recruitment and appointment of Trustees is governed by the Principal Rules, which provides a summary and operational guide for interpreting and implementing the Memorandum and Articles of Association. Directors are appointed for an initial period of three years, commencing on the date of their appointment and may apply for re-election to serve a second period of three years. After serving for a second period, the Director may offer him or herself for re-election for a further three years. Second and third terms require Board Approval.

Trustees are inducted using paper-based information and service visits, along with induction meetings with the Chair and Chief Executive.

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 twelve members.

The Board of Trustees meets at least six times a year and Trustees focus on governance and strategy, significant new business, risk and financial issues. The Board is supported by Nominations, Remuneration, Finance and Investment and Income Generation/Innovation Sub-Committees.

Trustee Induction and Training

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

MAYDAY TRUST
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

Organisational Structure

The day-to-day management of the organisation is delegated to the Chief Executive, who is supported by a Senior Management Team (SMT) comprising of:

- The Director of Finance and Corporate Services who also acts as Company Secretary. They have responsibility for finance, IT and HR.
- The Director of Operations who has responsibility for service delivery.
- The Director of Development and Strategic Partnerships who has responsibility for income generation, marketing, influencing and the Personal Transition Service Innovation Partners.

Pay Policy for Senior Staff

The Board of Directors and SMT are the key management personnel of the charity in charge of directing and controlling, running and operating Mayday. 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 annually. In view of the nature of the charity, the directors benchmark against pay levels in other charities of a similar size and operation. The remuneration bench-mark is the mid-point of the range paid for similar roles adjusted for any additional responsibilities.

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 below under Performance and Principle Activities.

Nature, Objectives and Strategies of the Charity

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 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.

MAYDAY TRUST
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

- 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.
- Provide within the area of benefit, 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.
- 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. The Charity has no statutory obligation to provide services, but some of the services provided are covered by legislation and other statutory regulations, including Children's Acts, which apply to all service provision for young people and children.

Performance and Principal Activities

Achievements and Activities

This year, the Trustees are pleased to report that Mayday has succeeded in making significant progress against the objectives set out in the 2017-2018 Business Plan; specifically, to:

- Deliver PTS to a minimum of 2,000 people over the next two to three years, working with our Innovation Partners.
 - We are on target to achieve the goal that by the end of the 2018 calendar year, 1,200 people have received or are receiving a PTS through partnership and Mayday Trust work;
 - Two partners were trained and are delivering PTS;
 - Half yearly reports on hard outcomes were produced and analysed;
 - Learning from reports was shared amongst partners and PTS adapted as necessary;
 - Annual review of hard data was carried out for the period 2017/2018 and disseminated to key stakeholders. Mayday had worked with 418 people during the financial year, of whom:
 - 80% sustained accommodation
 - 12% entered employment, education or training
 - 82% reduced their instances of reoffending
 - 87% reduced their risk of substance misuse
 - 93% increased mental health & wellbeing

MAYDAY TRUST
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

- Build a movement for change that achieves whole system change throughout the sector, to ensure personalised and asset-based services are the norm for people going through tough times:
 - Mayday presented PTS at four external national events
 - Seventy-seven groups registered interest to find out more about PTS
 - We published an annual review of PTS proof of concept findings
 - Two presentations were made at external events targeting commissioners outside of homelessness
 - Six market place events were held to promote PTS to other organisations
- Deliver and expand our regional work to 'influence through doing'.
 - New projects were embedded in Northamptonshire, delivering to a minimum of 40 new people and a total of 200 people
 - Oxford Coaches delivered PTS to 100 individuals during the year
 - Two new commissioned services were secured in the year (with Westminster and South Northants councils)
- Develop a new, affordable and innovative accommodation offer, which will align to the personalised and strength-based ethos of Mayday.
 - We have exceeded the target of acquiring a further 30 units of accommodation in Northamptonshire; at present we have 140 units from 83 at the start of the year
 - The 'Be the change' project working with young people facing multiple disadvantage, funded through a Social Impact Bond, has achieved all outcome targets
 - The 'Hospital to Home' project has been established for people leaving Berrywood Psychiatric hospital in Northamptonshire who require supported accommodation
 - We launched a new development in Westminster, delivering PTS to 34 people in transitional accommodation, aiming to move to a permanent home.
- Become a financially sustainable and viable organisation by 2020.
 - Two new commissioned services were secured during the year
 - The budget deficit for the year was in line with the forecast
 - Under the five year plan, Mayday is forecast to return to surplus by the end of calendar year 2020
- 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.
 - We retained our ISO9001:2015 accreditation
 - We achieved Investors In People accreditation at silver level

MAYDAY TRUST
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

Financial Review

Income has fallen from £3m in FY 2016/17 to £2.5m in FY 2017/18 because of Mayday's change in strategic direction, moving away from large-scale support provided under current frameworks toward delivering personalised support using developmental assets. This was expected and highlighted in last year's Trustees' Report. We now expect our income to increase and return to 2016/17 levels during the FY 2018/2019.

Expenditure has fallen by £638,000 compared to the previous year, which is proportionate to the fall in income. As new activities are undertaken, we expect income to rise more rapidly and to return to a position whereby its operations are generating a surplus towards the end of 2018.

Investment Policy

The continued requirement to fund the restructure of Mayday's services and the desire to eliminate Mayday's pension liability have been the main reasons for retaining most of Mayday's liquid assets in cash.

The Trustees must balance competing priorities when investing the charity's assets; to use the assets to generate a reasonable income, whilst investing them safely and in such a way that they are easily accessible to support cash flow or to make up a funding shortfall. At the end of the FY, Mayday had £163,000 invested (Note 11).

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.

After the end of the Financial Year, Mayday agreed and paid its pension liability (please see note 19). This provided the certainty to invest for the longer term and a further £1m was invested with its new investment manager, Rathbones, who were appointed to replace Aberdeen Asset Management.

Reserves Policy

Trustees have reviewed Mayday's requirement for reserves in line with the guidance issued by the Charity Commission. Trustees believe that 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 £836,000) should be held in free reserves (unrestricted reserves excluding tangible fixed assets and investments). As at 31 March 2018, Mayday was holding £1.74m in free reserves.

Total reserves amounted to £3.243m, of which £3.238m were unrestricted. Of these, £0.3m are designated 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 £0.104m has been designated to reflect the ongoing requirement to maintain Mayday's infrastructure and the potential for further relocation of Mayday's activities.

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

Risk Management

Trustees have responsibility for the management of the risks faced by the charity and are assisted by SMT. A full risk audit is conducted annually as part of the review of Business Plan objectives. Routine risks are identified, assessed and managed through controls throughout the year.

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 Mayday and the established mitigating actions, are:

- Loss of income and significant increase in housing income arrears due to new Welfare reform. Mitigated by:
 - Delivery of a new income generation strategy and growth plan to diversify funding
 - Financial scenario planning to manage potential cuts and over-dependence on local authority Supporting People income
- Failure to collect sufficient, statistically-viable data to confirm the effectiveness of the PTS model. Mitigated by:
 - Central collection of data by Social Impact Manager and routine verified reviews
 - Contractual agreements with Innovation Partners on data provision
 - PTS training and accreditation process
- Failure to provide sufficient accommodation units to meet commissioned contracts. Mitigated by:
 - Partnership with social investment company willing to acquire agreed number of properties
 - Housing team restrictive to give responsibility for acquisition of property to Housing Officer, Special Projects
 - On-going negotiation with Housing Associations and district and borough councils
- Failure to manage housing in compliance with health and safety and safeguarding responsibilities. Mitigated by:
 - Housing Managers trained in all aspects of housing health and safety
 - Health and Safety Consultant engaged who provides regular inspection and recommendations for improvement
 - Framework and process for Health and Safety reporting from Housing Managers to SMT and Board of Trustees

MAYDAY TRUST
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

Going Concern

Trustees confirm 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.

Future Plans

In pursuance of the two strategic goals of testing the model and influencing the sector, plans for the coming year remain unchanged. In summary, they are to:

- Scale up the new work by working with Innovation Partners and other organisations that 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.
- Work with local authority commissioners who are prepared to adapt commissioning processes to contract the PTS and enable the approach to be further tested.
- 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;
- Explore alternative funding models which fit delivery of the new model better and will sustain Mayday into the future.
- Continue, alongside Innovation Partners, to collect data up to 2,000 people working through the PTS to prove the empirical, statistically significant evidence to prove that the PTS model works.

Statement of Trustees' Responsibilities

Trustees 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.

MAYDAY TRUST
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2018

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 of Trustees on 20 September 2018 and signed on its behalf by:



Andrew Meehan
Chair of the Board of Trustees for Mayday Trust

MAYDAY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Mayday Trust for the year ended 31 March 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2018, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' and Trustees' Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

MAYDAY TRUST
(A company limited by guarantee)

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' and Trustees' Annual Report has been prepared in accordance with legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' and Trustees' Annual Report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the directors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

MAYDAY TRUST
(A company limited by guarantee)

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA

Senior Statutory Auditor
for and on behalf of:

PKF Cooper Parry Group Limited
Chartered Accountants and Statutory Auditor
One Central Boulevard, Blythe Valley Park, Solihull, West Midlands B90 8BG

20 September 2018

MAYDAY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 March 2018

	Note	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
Income from:					
Donations and legacies	2	127,448	247,050	374,498	259,735
Investments	3	7,214	-	7,214	14,107
Charitable activities	4	2,118,415	-	2,118,415	2,707,747
Other		10,054	-	10,054	26,890
Total income		2,263,131	247,050	2,510,181	3,008,479
Expenditure on:					
Raising funds	6a	21,123	-	21,123	33,444
Investment management costs	5	1,577	-	1,577	2,681
Charitable activities	6b	2,812,839	242,050	3,054,889	3,678,914
Total expenditure		2,835,539	242,050	3,077,589	3,715,039
Unrealised gains on investments	11	4,101	-	4,101	45,525
Net expenditure for the year		(568,307)	5,000	(563,307)	(661,035)
Other recognised gains and losses					
Realised (Loss)/gains on sale of tangible fixed assets		(10,001)	-	(10,001)	150,000
Net movement in funds		(578,308)	5,000	(573,308)	(511,035)
Reconciliation of funds					
Balances brought forward		3,816,088	-	3,816,088	4,327,123
Balances carried forward		3,237,780	5,000	3,242,780	3,816,088

The notes on pages 18 to 34 form part of these financial statements.

MAYDAY TRUST
(A company limited by guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT
Year ended 31 March 2018

	Note	2018 £	2017 £
Income		2,502,967	2,994,372
Expenditure		(3,077,589)	(3,705,581)
Net operating deficit		(574,622)	(711,209)
Interest receivable and similar income	3	7,214	14,107
Interest payable and similar charges	6b	-	(9,459)
Net deficit for the year		(567,408)	(706,561)

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

The notes on pages 18 to 34 form part of these financial statements.

MAYDAY TRUST
(A company limited by guarantee)

BALANCE SHEET
as at 31 March 2018

Registered Number 02911222

	Note	2018	2017
		£	£
Fixed assets			
Tangible assets	10	1,498,464	1,962,640
Investments	11	162,847	157,713
		<u>1,661,311</u>	<u>2,120,353</u>
Current assets			
Debtors	12	274,843	267,486
Cash at bank and in hand		1,938,386	2,369,124
		<u>2,213,229</u>	<u>2,636,610</u>
Creditors: amounts falling due within one year	13	(631,760)	(600,626)
Net current assets		<u>1,581,469</u>	<u>2,035,984</u>
Total assets less current liabilities		<u>3,242,780</u>	<u>4,156,337</u>
Creditors:			
Provisions for liabilities	19	-	(340,249)
Net assets		<u>3,242,780</u>	<u>3,816,088</u>
Funds			
Unrestricted funds			
Designated funds	15	720,570	961,134
General funds	15	1,210,265	1,789,781
Revaluation reserve	15	1,306,945	1,405,422
Pension reserve	15	-	(340,249)
Restricted Funds	16	5,000	-
		<u>3,242,780</u>	<u>3,816,088</u>

The notes on pages 18 to 34 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 20 September 2018 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 2018

		2018 £	2017 £
Cash used in operating activities	22	(857,952)	(451,660)
Cash flows from investing activities			
Interest income		7,214	14,107
Sale of tangible fixed assets		420,000	2,291,854
		<u>(430,738)</u>	<u>1,854,301</u>
Cash flows from financing activities			
Repayment of borrowing		-	(510,179)
		<u>-</u>	<u>(510,179)</u>
(Decrease)/increase in cash and cash equivalents in the year		(430,738)	1,344,122
Cash and cash equivalents at the beginning of the year		2,369,124	1,025,002
		<u>2,369,124</u>	<u>1,025,002</u>
Total cash and cash equivalents at the end of the year	23	1,938,386	2,369,124

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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 2018

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 2018

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 2018

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 2018

2	Grants, donations and legacies	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
	Grants, donations and legacies	127,448	247,050	374,498	259,735

Of the total income of £259,735 received in 2017, £116,616 related to unrestricted funds and £143,119 related to restricted funds.

3	Investment income	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
	Listed investments	2,610	-	2,610	11,277
	Bank interest receivable	4,604	-	4,604	2,830
		7,214	-	7,214	14,107

All investment income received in 2018 and 2017 related to unrestricted funds.

4	Grants and funding for provision of accommodation	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
	Gross accommodation charges	1,438,067	-	1,438,067	1,853,399
	Accommodation voids	(98,320)	-	(98,320)	(118,888)
	Probation funding	-	-	-	32
	Supporting People Grant	774,918	-	774,918	920,480
	Social Services funding	-	-	-	52,724
	Innovation Partners	3,750	-	3,750	-
		2,118,415	-	2,118,415	2,707,747

Of the total income of £2,707,747 received in 2017, £2,655,023 related to unrestricted funds and £52,724 related to restricted funds.

5	Investment management costs	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
	Investment Portfolio management fees	1,577	-	1,577	2,681

All investment management costs incurred in 2017 related to unrestricted funds.

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

6a	Cost of raising funds	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
	Fundraiser salary costs	20,298	-	20,298	31,772
	Other costs	825	-	825	1,672
		<u>21,123</u>	<u>-</u>	<u>21,123</u>	<u>33,444</u>

All of the costs of raising funds incurred in 2017 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 £	2018 Total £	2017 Total £
Wages and salaries	1,048,976	241,299	1,290,275	1,583,119
Depreciation	34,176	-	34,176	48,614
Housing Association charges and rental	541,261	-	541,261	576,262
Repairs and renewals	166,680	-	166,680	114,070
Computer costs	43,607	-	43,607	65,474
Security costs	165,955	-	165,955	200,374
Council tax and rates	43,157	-	43,157	75,734
Light and heat	33,913	-	33,913	84,227
Telephone and broadband	47,769	-	47,769	47,466
Insurance	32,016	-	32,016	45,100
Advertising and marketing	12,210	-	12,210	22,452
Residents recreation and training	7,140	-	7,140	6,757
Volunteer costs	400	-	400	4,765
Consultancy and professional fees	264,804	-	264,804	136,525
Bad debts	10,481	-	10,481	(18,195)
Licences and rentals	1,940	-	1,940	6,697
Office supplies and printing	15,075	-	15,075	13,247
Travel expenses	83,784	751	84,535	80,075
Staff training recruitment & other HR costs	145,546	-	145,546	163,397
Health & Safety costs	4,070	-	4,070	5,182
Environmental costs	9,130	-	9,130	17,322
Cleaning costs	61,196	-	61,196	52,486
Loan interest	-	-	-	9,459
Other expenses	77,948	-	77,948	88,443
Governance costs (note 7)	53,864	-	53,864	57,636
Pension scheme costs (note 20):				
Interest expense	4,000	-	4,000	5,000
Change in assumptions	-	-	-	187,226
Pension provision release on buyout	(96,259)	-	(96,259)	-
	<u>2,812,839</u>	<u>242,050</u>	<u>3,054,889</u>	<u>3,678,914</u>

Of the total costs of £3,678,914 incurred in 2017, £3,408,417 related to unrestricted funds and £270,497 related to restricted funds.

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

7	Governance costs	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
	Trustee recruitment	-	-	-	33,600
	Trustee expenses and training	1,724	-	1,724	259
	Audit fees	18,828	-	18,828	7,336
	Legal fees	33,312	-	33,312	16,428
	Other costs	-	-	-	13
		<u>53,864</u>	<u>-</u>	<u>53,864</u>	<u>57,636</u>
8	Employees' and Trustees' remuneration			2018 £	2017 £
	The aggregate payroll costs were:				
	Wages and salaries			1,052,953	1,305,400
	Social security costs			97,025	119,982
	Agency costs			116,779	124,539
	Other pension costs			34,193	53,419
	Benefit in kind			9,623	11,551
				<u>1,310,573</u>	<u>1,614,891</u>

No trustee received remuneration during the year (2017: £nil).

Expenses totalling £1,724 were paid to four Trustees in respect of travel and subsistence (2017: £866 paid to three trustees). The company paid £938 for trustee indemnity insurance (2017: £nil). Expenses totalling £3,189 (2017: £1,128) 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 £262,576 (2017: £289,609). 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 £54,981 (2017: £96,269). This was made up of statutory redundancy payments of £47,476 (2017: £67,779), payments in lieu of notice of £5,505 (2017: £11,491) and an ex-gratia payment of £2,000 (2017: £15,000). 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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

8 Employees' and Trustees' remuneration (continued)

	2018 No.	2017 No.
£60,000 - £70,000	-	-
£70,000 - £80,000	1	1
	<u>1</u>	<u>1</u>

Pension payments in respect of the above employee was £3,625 (2016: one higher paid staff with pension contributions of £3,625).

Particulars of employees:	2018 No.	2017 No.
The average number of full time equivalent staff employed by the charitable company during the financial year amounted to:		
Head office	10	12
Schemes	<u>28</u>	<u>44</u>
	38	56
	<u>38</u>	<u>56</u>
	No.	No.
The average number of employees employed by the charitable company during the financial year amounted to:		
Head office	10	12
Schemes	<u>28</u>	<u>46</u>
	38	58
	<u>38</u>	<u>58</u>

9 Net expenditure

	2018 £	2017 £
Net expenditure is stated after charging:		
Depreciation of owned assets	34,176	48,614
Auditors' remuneration	18,828	7,336
Operating lease rentals:		
- plant and machinery	5,971	5,970
- land and buildings	<u>541,261</u>	<u>576,262</u>

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

10	Tangible fixed assets	Freehold Property £	Equipment £	Total £
	Cost or deemed cost			
	At 1 April 2017	1,895,000	675,296	2,570,296
	Disposals	(430,000)	-	(430,000)
		<hr/>	<hr/>	<hr/>
	At 31 March 2018	1,465,000	675,296	2,140,296
		<hr/>	<hr/>	<hr/>
	Depreciation			
	At 1 April 2017	-	607,656	607,656
	Charge for the year	-	34,176	34,176
		<hr/>	<hr/>	<hr/>
	At 31 March 2018	-	641,832	641,832
		<hr/>	<hr/>	<hr/>
	Net book value			
	At 31 March 2018	1,465,000	33,464	1,498,464
		<hr/>	<hr/>	<hr/>
	At 31 March 2017	1,895,000	67,640	1,962,640
		<hr/>	<hr/>	<hr/>

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

	2018 £	2017 £
Net book value of revalued tangible fixed assets		
Net book value at the end of year	1,465,000	1,895,000
	<hr/>	<hr/>
Historical cost		
At 1 April 2017	861,380	2,088,906
Disposals	(376,380)	(1,227,526)
	<hr/>	<hr/>
At 31 March 2018	485,000	861,380
	<hr/>	<hr/>
Depreciation		
At 1 April 2017	241,617	349,126
Disposals	(62,117)	(129,044)
Charge for year	12,125	21,535
	<hr/>	<hr/>
At 31 March 2018	191,625	241,617
	<hr/>	<hr/>
Net historical cost book value		
At 31 March 2018	293,375	619,763
	<hr/>	<hr/>
At 31 March 2017	619,763	1,739,780
	<hr/>	<hr/>

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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	2018	2017
	£	£
Movement in market value		
Market value of investments at 1 April 2017	157,713	739,042
Additions	1,033	8,596
Disposals	-	(635,450)
Unrealised gains on revaluation in the year	4,101	45,525
	<u>162,847</u>	<u>157,713</u>
Market value of investments at 31 March 2018	162,847	157,713
	<u>162,847</u>	<u>157,713</u>
Historical cost of investments (excluding costs) at 31 March 2018	27,527	27,527
	<u>27,527</u>	<u>27,527</u>

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	67,192
Aberdeen Responsible UK Equity Fund Acc A Share OEIC	95,655
	<u>162,847</u>
	<u>162,847</u>

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

12	Debtors	2018 £	2017 £
	Other debtors	209,529	190,311
	Prepayments	65,314	77,175
		<u>274,843</u>	<u>267,486</u>
13	Creditors: amounts falling due within one year	2018 £	2017 £
	Advance rental receipts	30,279	74,126
	Other taxation and social security	26,245	20,958
	Accruals and purchase ledger balances	496,986	385,542
	Deferred income	78,250	120,000
		<u>631,760</u>	<u>600,626</u>

Included within other creditors is an amount of £7,501 (2017: £Nil) payable in respect of outstanding pension contributions. An amount of £221,369 (2017: £129,751) relates to amounts due within one year in respect of the extended transfer value exercise mentioned in note 21.

14 Commitments under operating leases

At 31 March 2018 the charity had future minimum lease payments under non-cancellable operating leases as set out below:

	2018		2017	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within one year	399,061	3,297	312,097	10,630
Within 2 to 5 years	85,214	3,035	<u> </u>	<u> </u>
	<u>484,275</u>	<u>6,332</u>	<u>312,097</u>	<u>10,630</u>

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

15	Unrestricted Funds	Movement in resources				Balance at 31.03.2018 £
		Balance at 01.04.2017 £	Incoming resources £	Utilised/ released £	Transfers and gains/(losses) £	
	Designated					
	Tangible fixed asset fund	687,403	-	-	(360,564)	326,839
	Development fund	120,000	-	-	-	120,000
	Property repair fund	150,000	-	-	-	150,000
	IT upgrade fund	20,000	-	-	-	20,000
	Restructuring fund	103,731	-	-	-	103,731
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		1,081,134	-	-	(360,564)	720,570
	Other charitable funds					
	General	1,669,781	2,263,131	(2,937,698)	215,051	1,210,265
	Revaluation reserve	1,405,422	-	-	(98,477)	1,306,945
	Pension reserve	(340,249)	-	96,259	243,990	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		3,816,088	2,263,131	(2,841,439)	-	3,237,780
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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.

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 any future restructuring Mayday Trust.

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

16	Restricted Funds	Balance at 01.04.2017 £	Incoming resources £	Movement in resources Utilised/ released £	Transfers and gains/(losses) £	Balance at 31.03.2018 £
	Revenue					
	Big Lottery Fund CBO					
	Development Grant	-	48,000	(48,000)	-	-
	Coaching Funding	-	30,000	(30,000)	-	-
	Enable - Talent Match	-	91,550	(91,550)	-	-
	Esmee Fairbairn	-	12,500	(12,500)	-	-
	Innovation Partnerships	-	60,000	(60,000)	-	-
	Santander	-	5,000	-	-	5,000
		-	247,050	(242,050)	-	5,000

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

17	Analysis of net assets	Tangible fixed assets £	Investment assets £	Other net assets £	Pension provision £	Total £
	Restricted funds	-	-	5,000	-	5,000
	Unrestricted funds	1,498,464	162,847	1,576,469	-	3,237,780
		1,498,464	162,847	1,581,469	-	3,242,780

18 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 2018 there were 19 members of the charitable company (2017: 19 members).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

19 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)
-------------------------------------	--

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.

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

19 Pension obligations (continued)

Present values of provision

	31 March 2018 (£'000s)	31 March 2017 (£'000s)	31 March 2016 (£'000s)
Present value of provision	340	287	

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 31 March 2017 year end, resulting in a number of members transferring out of the scheme after the year end.

A full calculation of the remaining buy-out debt (known as the "Section 75 debt") was undertaken by JLT, the scheme's actuaries. The remaining debt has been certified at £221,369. A deed of cessation has been agreed and is in the process of being executed. Once this occurs, the remaining debt will be paid. As a result, the remaining debt has been re-classified within creditors: amounts falling due within one year and no provision remains at 31 March 2018.

Reconciliation of opening and closing provisions

	Period Ending 31 March 2018 (£000s)	Period Ending 31 March 2017 (£000s)
Provision at start of period	340	287
Unwinding of the discount factor (interest expense)	4	5
Deficit contribution paid	(23)	(159)
Remeasurements - impact of any change in assumptions	(4)	8
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period on a present value basis	317	141
Estimated cost of eliminating the liability early	(96)	199
Transfer to Creditors falling due within one year	(221)	-
Provision at end of period	-	340

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

19 Pension obligations (continued)

Income and expenditure Impact

	Period Ending 31 March 2018 (£000s)	Period Ending 31 March 2017 (£000s)
Interest expense	4	5
Remeasurements - impact of any change in assumptions	(4)	8
Estimated cost of eliminating the liability early	(96)	199

Assumptions

	31 March 2018 % per annum	31 March 2017 % per annum	31 March 2016 % per annum
Rate of discount	1.71	1.32	2.07

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.

20 Capital Commitments

At 31 March 2018 and 31 March 2017 the charitable company had no capital commitments.

21 Post Balance Sheet Events

During the 2016/17 Financial Year the trustees commenced an exercise to buy out Mayday's employer's liability under its historical defined benefit scheme. The final debt on withdrawal was provided by TPT, the pension scheme manager at the start of April 2018 and amounted to £221k. Final payment was made in July 2018 at which time the final deed of cessation was signed. Mayday, therefore, has no further liability in respect of his pension scheme.

At the year-end Mayday was a joint party to an employment tribunal claim, made by a previous employee, who had left the organisation in November 2017. Final settlement was reached in June 2018 at a cost of £2,000 to Mayday.

MAYDAY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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

	2018	2017
	£	£
Net movement in funds	(567,408)	(706,560)
Add back depreciation charge	34,176	48,614
Deduct interest income shown in investing activities	(7,214)	(14,107)
Pension adjustments	(96,259)	183,000
Decrease/(increase) in debtors	(7,357)	17,545
Increase in creditors	(213,890)	19,848
	<hr/>	<hr/>
Net cash outflow from operating activities	(857,952)	(451,660)
	<hr/>	<hr/>

23 Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	1,034,555	1,467,958
Notice deposits	903,831	901,166
	<hr/>	<hr/>
	1,938,386	2,369,124
	<hr/>	<hr/>

MAYDAY TRUST
(A company limited by guarantee)

DONORS, FUNDERS AND SUPPORTERS

Year ended 31 March 2018

Mayday Trust would like to thank all those who supported us during 2017/18. 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
St. Martins in the Field
Badbury Parish
Christopher Laing
Grey Court Trust
Towergate Mia
Lord Faringdon Charitable Trust
Mauld Elkington Charitable
29 May1961 Charitable Trust
Souter Charitable Trust
Rueben Foundation
Stanton Ballard Charitable Trust
Robert & Margaret Moss Charitable Trust
Roger Vere Foundation
Blake Morgan
Grendon Prison
Jenny Stinger
Weathersby's Charitable Trust
Comic Relief
Esmee Fairbairn
Santander Foundation
Bridges Ventures Fund Management
Niraj Kapur
James and Laura Arnold
Kate Mahon
Tudor Trust
Garfield Weston Foundation
Big Lottery Fund

Northamptonshire County Council
First for Wellbeing
South Northants Council
Westminster City Council
Bedford Borough 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.

