



MAYDAY TRUST
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2008

Company number: 2911222
Charity number: 1035524

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MAYDAY TRUST
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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2008

The trustees are pleased to present their report and financial statements for the year ended 31 March 2008.

Reference and Administrative Information

Charity Name	Mayday Trust
Charity Registration Number	1035524
Company Registration Number	2911222
Registered Office	75 Albert Street Rugby Warwickshire CV21 2SN

The Board of Trustees

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

J Arnold (appointed: 1 July 2007)
C R Holman
B McFarland
A Rastall-Conrad
L K Stacey (appointed: 11 June 2007)

In accordance with the Articles of Association, B McFarland and A Rastall-Conrad will retire by rotation and, being eligible, will stand for re-appointment.

Visiting Associate

G Armstrong

Company Secretary

G Jackson

Senior Executive Team

Chief Executive – C Ward
Head of Corporate Services – G Jackson (appointed 3 September 2007)
Head of Operations and Property Services – S Sullivan (appointed 9 July 2007)

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2008

Auditors

Clement Keys
Chartered Accountants
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Solicitors

Needham & James
Bridgeway
Stratford-upon-Avon
Warwickshire
CV37 6YY

Bankers

HSBC Bank plc
15 Church Street
Rugby
Warwickshire

Investment Managers

HSBC Trust Company (UK) Limited
PO Box 880
Southampton
SO15 1WP

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, having no share capital. It was incorporated on 22 March 1994 and registered as a charity on 23 March 1994. The charitable company was established under a Memorandum of Association, which was last amended on 20 November 2003 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.

It is exempt from using "Limited" under Section 30 of the Companies Act 1985.

Recruitment and Appointment of Trustees

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

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

Trustee Induction and Training

The Trust has advertised for additional Board Trustees, on appointment Trustees will attend an induction briefing led by the Company Secretary. Induction packs will be distributed to the new trustees. A development day with the existing trustees and the Chief Executive will also be scheduled.

The role of the visiting associate is under review as there is only one covering Northampton and Daventry.

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2008

Risk Management

The Trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks Mayday Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

The Trust has reviewed its governance framework following changes to the Charities and Companies Acts. All current policies and procedures are being reviewed and updated. Standing Orders are being updated to reflect the new organisation structure that will be in place by October 2008.

A code of good governance was implemented in June 2008.

Organisational Structure

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

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

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

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

The Chief Executive under instruction from the Board of Trustees carries out the day-to-day management of Mayday Trust. The full Board of Trustees meets at regular intervals.

Objectives and Activities

The charitable company's objects are the relief of poverty and sickness, the relief of the disabled and the preservation and protection of the good health of persons living in the United Kingdom, the relief and rehabilitation of persons who have suffered a legal restriction upon their liberty, and the provision of social housing to relieve persons whose personal circumstances make it difficult for them to meet their housing needs in the open market.

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2008

Visions and Values

“Our purpose is to provide good quality housing and support services to vulnerable people, enabling them to maximise their potential for independence.”

The Trustees are committed to the following values:

- Quality – in all aspects of our activity.
- Empowerment – maximising the potential of service users and staff.
- Partnership – working with statutory and other agencies to meet service user needs.
- Customer focus – providing services which are sensitive and responsive to service user needs.
- Equality – embracing diversity and ensuring no one is treated unfairly in service use or employment.
- Efficiency – making the best use of financial resources to provide quality services at a reasonable cost.
- Progressive employment – developing a skilled and motivated workforce.

Operating Principles

- Working in a way that makes a positive difference to the lives of our service users.
- Mayday Trust provides value for money services for its funders.
- Mayday Trust provides value creation for its investors.
- We work in partnership with our stakeholders, service users and other agencies.
- We deliver best practice quality services through focussed and empowered staff.
- We continually review and improve our performance, through effective monitoring and outcome reviews, encouraging and enabling all staff and service users at Mayday Trust to fulfil their potential.

Strategic Aims

- Service users take a pro-active role in current/ future services provided by Mayday Trust.
- Implement a business model and governance framework that enables Mayday Trust to grow and diversify its business.
- Develop strategic and local partnerships/ alliances with other organisations including cross-sector alliances, whilst retaining the charitable ethos/ values.
- Develop a performance management and outcome driven culture, with qualitative and quantitative measures.
- Raise the profile of Mayday Trust by effective stakeholder engagement and management.
- To be the preferred supplier of specialist support to vulnerable people.

Report of the Chief Executive – Caroline Ward

2007/2008 was a year of change at Mayday Trust. A restructuring of Mayday Trust was announced to staff in July 2007 which resulted in a number of redundancies, changes in roles and responsibilities, revised job descriptions and the appointment of a Senior Management Team, Regional Management Team and a Human Resources Assistant.

The restructure was completed, on schedule, in December 2007. Following the restructure, Mayday Trust had a number of un-planned vacancies to fill across the schemes. The aim is to be fully staffed by the end of 2008.

Gill Jackson (Head of Corporate Services) and Stuart Sullivan (Head of Operations and Property Services) were appointed to the Senior Management Team in 2007. John Atkins was promoted to Regional Manager (Warwickshire) in 2007, with Paul Smedley (Bedfordshire) and Hamir Jesa (Northamptonshire) appointed as

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Year ended 31 March 2008

Regional Managers in early 2008. These appointments have reduced the Trust's requirement for support provided by external consultants.

Major external refurbishment works were completed at Broadmead Court, Northampton, including a replacement roof, replacement windows, replacement drainage and guttering. As part of the Business Strategy, a review of the Property Portfolio is planned during 2008. This review will assess properties owned and leased by Mayday Trust.

A full cost recovery business model has been implemented, enabling Mayday Trust to control and monitor its income and expenditure more effectively - whilst also retaining Mayday Trust's competitiveness in a challenging and changing market. Mayday Trust is confident that during 2008/2009 there will be opportunities to increase income streams via existing and new funders.

Following a strategic review in October 2007, Mayday Trust made the decision to withdraw from the contract with Wellingborough Council, where the Trust managed the Janus project on the Council's behalf. This was no longer deemed "core" business or financially sustainable. By mutual agreement, the service ceased in January 2007 and was returned to Wellingborough Council to manage.

Mayday Trust received a legacy of £15,000 from Ellen Maud Paxton in 2008 and allocation of this legacy is under review.

The 2007/2008 Financial Year has resulted in a deficit; mainly due to the restructure, refurbishment of Broadmead Court and arrears connected with the Janus project. The aim for 2008/2009 is achieve a surplus by effectively managing our cost base.

Mayday Trust is now in a strong position to grow and diversify the business; with a team of talented and professional staff, whose primary aim is to support vulnerable adults. Mayday Trust is recognised by stakeholders as a top quartile service provider, delivering cost effective and qualitative services. Our Service Users value the support provided and the "real difference" we make to their lives.

The 2008/2009 Financial Year will focus on enhancing our service provision to existing service users, empowering our staff, meeting our contractual commitments with our funders and increasing our income. 2007/2008 has been a challenging and rewarding year, setting the foundation for future years at Mayday Trust.

Financial Review

Principal Funding Sources

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

Investment Performance

The charity's investment portfolio decreased in value during the year by £14,345. During the year realised gains of £16,402 were made and at the year end the market value adjustment was an unrealised loss of £37,899. The average yield of the portfolio was 2.73% (2007: 2.73%).

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2008

Financial Review (continued)

Investment policy

The policy of Mayday Trust is that investments are managed on a total return basis. The majority of the funds are currently invested with HSBC, which is designed for long-term income and capital growth. The funds are invested mainly in equities with a wide diversification of good quality holdings in the United Kingdom and overseas. The fund aims at income and capital appreciation for protection from inflation, and in line with market forces, has benefited from an increase during the year under review.

Reserves policy

The Trustees have reviewed the reserves of Mayday Trust and have formulated its reserve policy, which is in line with Charity Commission recommendations. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that the equivalent of six months overheads be the target level for reserves to ensure continuity of charitable operations. This equates to a requirement of approximately £1,360,404.

During the year Mayday's general reserves decreased from £2,022,713 to £1,868,256, after spending £155,504 on improvements to Broadmead Court. Mayday's free reserves (that is those reserves represented by assets other than tangible fixed assets) were £752,799.

Restricted funds decreased from £230,000 to £146,501. Mayday has a number of designated and restricted funds. The purpose of these funds is detailed in notes 16 and 17 in the financial statements.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year.

Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. Trustees 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.

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2008

Statement of Trustees' Responsibilities (continued)

In accordance with company law, as the charitable company's Trustees, we certify that at the time the report is approved:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as the Trustees of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

Clement Keys have expressed their willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

Approved by the Board of Trustees on 1 September 2008 and signed on its behalf by:

C R Holman

Trustee

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

We have audited the financial statements for the year ended 31 March 2008 which are set out on pages 10 to 24 and which comprise the Statement of Financial Activities, Summary of Income and Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention (as modified for the revaluation of certain fixed assets and investments) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 described in the Statement of Trustees' Responsibilities the company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the Directors' and Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions is not disclosed.

We read the Directors' and Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' and Trustees' Report is consistent with the financial statements.

**39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS**

**CLEMENT KEYS
Chartered Accountants
Registered Auditors
1 September 2008**

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STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
Year ended 31 March 2008

	Note	Unrestricted Funds £	Restricted Funds £	2008 Total £	2007 Total £
Incoming resources					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations	2	21,829	23,381	45,210	116,013
Investment income	3	28,639	-	28,639	42,257
Incoming resources from charitable activities					
Grants and funding for provision of accommodation	4	2,534,573	162,583	2,697,156	2,525,222
Other income		<u>31,256</u>	<u>-</u>	<u>31,256</u>	<u>26,776</u>
Total incoming resources		<u>2,616,297</u>	<u>185,964</u>	<u>2,802,261</u>	<u>2,710,268</u>
Resources expended					
Costs of generating funds					
Investment management costs	5	6,778	-	6,778	6,387
Charitable activities					
Costs in furtherance of charitable objects	6a	2,410,708	269,463	2,680,171	2,790,492
Exceptional costs	6b	382,537	-	382,537	-
Governance costs	7	<u>33,859</u>	<u>-</u>	<u>33,859</u>	<u>(11,181)</u>
Total resources expended		<u>2,833,882</u>	<u>269,463</u>	<u>3,103,345</u>	<u>2,785,698</u>
Net outgoing resources for the year being net expenditure for the year		(217,585)	(83,499)	(301,084)	(75,430)
Other recognised gains and losses					
Unrealised gains on revaluation of tangible fixed assets	10	79,625	-	79,625	34,000
Realised gains on disposal of current asset investment	13b	5,000	-	5,000	-
Unrealised losses on investments	11	(37,899)	-	(37,899)	(57,342)
Realised gains on investments	11	<u>16,402</u>	<u>-</u>	<u>16,402</u>	<u>70,181</u>
Net movement in funds		(154,457)	(83,499)	(237,956)	(28,591)
Reconciliation of funds					
Opening balance brought forward		<u>2,022,713</u>	<u>230,000</u>	<u>2,252,713</u>	<u>2,281,304</u>
Balances carried forward		<u>1,868,256</u>	<u>146,501</u>	<u>2,014,757</u>	<u>2,252,713</u>

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SUMMARY INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2008

	Note	2008	2007
		£	£
Income		2,773,622	2,668,011
Expenditure		(2,720,808)	(2,785,698)
Exceptional costs	6b	<u>(382,537)</u>	<u>-</u>
Net operating expenditure		(329,723)	(117,687)
Other income			
Interest receivable and similar income	3	28,639	42,257
Profit on sale of fixed asset investments	11	<u>16,402</u>	<u>70,181</u>
Net expenditure for the year		<u>(284,682)</u>	<u>(5,249)</u>

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

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

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BALANCE SHEET
as at 31 March 2008

	Note	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,160,733		1,171,432
Investments	11		<u>554,143</u>		<u>568,488</u>
			1,714,876		1,739,920
Current assets					
Debtors	12	158,387		186,412	
Investments	13	150,000		430,000	
Cash at bank		<u>164,912</u>		<u>159,110</u>	
		473,299		775,522	
Creditors: amounts falling due within one year	14	<u>(173,418)</u>		<u>(262,729)</u>	
Net current assets			<u>299,881</u>		<u>512,793</u>
Total assets less current liabilities			<u>2,014,757</u>		<u>2,252,713</u>
Funds					
Unrestricted funds					
Designated funds	16		570,573		726,077
Other charitable funds	16		653,547		550,599
Revaluation	16		644,136		746,037
Restricted funds	17		<u>146,501</u>		<u>230,000</u>
			<u>2,014,757</u>		<u>2,252,713</u>

These financial statements were approved by the Board of Trustees on the 1 September 2008 and are signed on their behalf by:

C R Holman

Trustee

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

1 Accounting policies

1.1 Basis of preparation

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

The financial statements have been prepared in accordance with the provisions of the Companies Act 1985 and in compliance with the revised Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in March 2005 and applicable accounting standards.

The charitable company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement and it has also availed itself of Paragraph 3 of Schedule 4 to the Companies Act 1985 by adapting the Companies Act formats to reflect the special nature of its activities.

1.2 Fund accounting

Restricted funds

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

Unrestricted funds and designated funds

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

1.3 Incoming resources

Incoming resources represents accommodation charges net of voids, Home Office grants, Housing Association funding, Local Authority funding, Social Services funding and gifts and donations.

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

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

- Voluntary income by way of grants, legacies, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when it becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charitable company where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

1 Accounting policies (continued)

- 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.

1.4 Resources expended

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

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

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

1.5 VAT

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

1.6 Tangible fixed assets and depreciation

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

Freehold property	2.5% straight line
Equipment	25% straight line

During the year the charity increased its capitalisation limit for fixed assets to £2,500, all purchases below this de minimis limit are expensed in the accounting period in which they are purchased.

1.7 Operating leases

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

1.8 Investments

Investments are included in the financial statements at the stated HSBC Fund Managed market value. Investment properties are valued at the trustees' best estimate of market value.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

1 Accounting policies (continued)

1.9 Pension costs

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

1.10 Cash flow statement

The charitable company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No.1 on the basis that it is a small company as defined in the Companies Act 1985.

2 Donations	Unrestricted Funds £	Restricted Funds £	2008 Total £	2007 Total £
Donations	21,829	23,381	45,210	116,013
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
3 Investment income	Unrestricted Funds £	Restricted Funds £	2008 Total £	2007 Total £
Listed investments	13,594	-	13,594	15,205
Bank interest receivable	<u>15,045</u>	<u>-</u>	<u>15,045</u>	<u>27,052</u>
	28,639	-	28,639	42,257
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4 Grants and funding for provision of accommodation	Unrestricted Funds £	Restricted Funds £	2008 Total £	2007 Total £
Gross accommodation charges	1,616,734	-	1,616,734	1,514,743
Accommodation voids	(99,104)	-	(99,104)	(120,074)
Local Authority funding	-	90,656	90,656	36,322
Supporting People Grant	1,016,943	-	1,016,943	1,050,031
Social Services funding	<u>-</u>	<u>71,927</u>	<u>71,927</u>	<u>44,200</u>
	2,534,573	162,583	2,697,156	2,525,222
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5 Investment management costs	Unrestricted Funds £	Restricted Funds £	2008 Total £	2007 Total £
HSBC Investment Portfolio management fees	<u>6,778</u>	<u>-</u>	<u>6,778</u>	<u>6,387</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

6a 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 charity are attributable to this single purpose.

Support costs comprise the salary costs of certain individuals employed at Head Office. Other head office costs have been classified as direct charitable costs on the basis that they support directly the work of the various projects.

Provision of charitable services	Unrestricted Funds £	Restricted Funds £	2008 Total £	2007 Total £
Direct costs				
Wages and salaries	1,034,467	5,332	1,039,799	1,262,827
Depreciation	81,135	36,719	117,854	131,201
Housing Association charges and rental	345,159	155,201	500,360	442,873
Repairs and renewals	116,667	25,350	142,017	124,620
Council tax and rates	71,379	-	71,379	61,182
Light and heat	111,444	-	111,444	118,177
Telephone	38,723	-	38,723	34,358
Insurance	55,113	-	55,113	57,177
Advertising	34,594	-	34,594	11,311
Residents recreation and training	-	24,681	24,681	27,921
Consultancy and professional fees	31,937	-	31,937	218,849
Bad debts	16,667	-	16,667	-
Licences and rentals	21,817	-	21,817	24,689
Office supplies and printing	17,565	-	17,565	16,814
Other costs	<u>186,495</u>	<u>22,180</u>	<u>208,675</u>	<u>161,927</u>
	2,163,162	269,463	2,432,625	2,693,926
Support costs				
Wages and salaries	<u>247,546</u>	<u>-</u>	<u>247,546</u>	<u>96,566</u>
	<u>2,410,708</u>	<u>269,463</u>	<u>2,680,171</u>	<u>2,790,492</u>

6b Exceptional costs

	2008	2007
Redundancy costs	65,218	-
Bad debts in respect of the Janus Scheme	87,939	-
Broadmead Court improvements	155,504	-
Professional fees	<u>73,876</u>	<u>-</u>
	<u>382,537</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

6b Exceptional costs (continued)

During the year Mayday Trust incurred exceptional costs in the following areas;

Redundancy cost

In July 2007 a major restructure of the organisation of the charity was announced. As a result of this redundancy payments were made to several members of staff.

Bad debts

In December 2007 the decision was taken to terminate the Janus contract in Wellingborough resulting in a significant write off of outstanding debt.

Broadmead Court improvements

During the year extensive work was carried out replacing the roof and guttering at Broadmead Court. This expense was taken out of a designated fund set aside for this purpose and the improvement to some extent were reflected in the change in valuation of the property.

Professional fees

The restructure involved significant costs in terms of legal and other consultants' fees.

7	Governance costs	Unrestricted Funds £	Restricted Funds £	2008 Total £	2007 Total £
	Audit fees	6,359	-	6,359	4,725
	Legal fees	<u>27,500</u>	-	<u>27,500</u>	<u>(15,906)</u>
		33,859	-	33,859	(11,181)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

8	Employees' and Trustees' remuneration	2008 £	2007 £
	The aggregate payroll costs were:		
	Wages and salaries	1,151,639	1,218,567
	Redundancy costs	65,218	-
	Social security costs	110,399	113,237
	Other pension costs	13,803	16,279
	Benefit in kind	<u>11,505</u>	<u>11,310</u>
		1,352,564	1,359,393
		<u> </u>	<u> </u>

No trustee received remuneration during the year (2007: £nil). A Rastall-Conrad invoiced £1,500 for her services as a consultant. This payment was discounted and had been approved by the Board of Trustees.

Expenses totalling £881 were paid to three Trustees in respect of travel and subsistence (2007: £1,281 to three Trustees). The charitable company paid health insurance premiums of £468 in respect of three Trustees (2007: £377). During the year an amount of £1,748 was paid in respect of trustee indemnity insurance.

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Year ended 31 March 2008

8 Employees' and Trustees' remuneration (continued)

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

	2008 No.	2007 No.
£60,000 - £65,000	1	-
Particulars of employees:	2008 No	2007 No
The average number of staff employed by the charity during the financial year amounted to:		
Head office	9	9
Schemes	<u>61</u>	<u>65</u>
	70	74
	<u><u> </u></u>	<u><u> </u></u>

9 Net incoming resources

Net incoming resources are stated after charging:

	2008 £	2007 £
Depreciation of owned assets	117,854	131,201
Auditors' remuneration	6,359	4,725
Operating lease rentals:		
-plant and machinery	13,110	14,671
-land and buildings	500,360	442,873
	<u><u> </u></u>	<u><u> </u></u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

10	Tangible fixed assets	Freehold property £	Equipment £	Total £
	Cost or valuation			
	At 1 April 2007	985,000	345,385	1,330,385
	Additions	-	27,530	27,530
	Revaluation	55,000	-	55,000
	At 31 March 2008	1,040,000	372,915	1,412,915
	Depreciation			
	At 1 April 2007	-	158,953	158,953
	Charge for the year	24,625	93,229	117,854
	Revaluation adjustment	(24,625)	-	(24,625)
	At 31 March 2008	-	252,182	252,182
	Net book value			
	At 31 March 2008	1,040,000	120,733	1,160,733
	At 31 March 2007	985,000	186,432	1,171,432

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

	2008 £	2007 £
Net book value of revalued tangible fixed assets		
Net book value at the end of year	1,040,000	985,000
Historical cost	467,928	467,928
Depreciation		
At 1 April 2007	41,084	29,386
Charge for year	11,698	11,698
At 31 March 2008	52,782	41,084
Net historical cost book value		
At 31 March 2008	415,146	426,844
At 31 March 2007	426,844	462,418

The properties owned by the charity were independently valued by Ashby Lowery Commercial, Chartered Surveyors on 27 May 2008. This was a desk top valuation, based on the open market values of the properties, on a current use basis. The last full valuation was carried out on 15 June 2006.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

11	Fixed asset investments	2008	2007
		£	£
	Movement in market value		
	Market value of investments at 1 April 2007	506,591	490,814
	Additions	136,734	342,900
	Sales proceeds from disposals	(153,481)	(339,962)
	Realised investment gains on disposal	16,402	70,181
	Unrealised losses on revaluation in the year	<u>(37,899)</u>	<u>(57,342)</u>
	Market value of investments at 31 March 2008	468,347	506,591
	Cash held for investment by brokers	<u>85,796</u>	<u>61,897</u>
	Total market value at 31 March 2008	554,143	568,488
		<u>=====</u>	<u>=====</u>
	Historical cost of investments at 31 March 2008	449,065	450,714
		<u>=====</u>	<u>=====</u>

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

Investments at market value comprise:	UK	Overseas	Total
	£	£	£
Gilts	63,128	-	63,128
Equities	185,575	-	185,575
Collectives	65,582	154,062	219,644
Cash	<u>85,796</u>	<u>-</u>	<u>85,796</u>
	400,081	154,062	554,143
	<u>=====</u>	<u>=====</u>	<u>=====</u>

Included within the portfolio are the following investments which comprise more than 5% of the market value of the portfolio:

	%
Merrill Lynch – UK Special Situations Fund (INC)	5.2
Artemis Global Growth Fund (Acc)	6.1
HSBC Investment Solutions – Global Equity Fund Class A	9.5
M&G Investment Funds – Global Leaders Fund Sterling ‘A’ Inc	6.2

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Year ended 31 March 2008

12 Debtors	2008 £	2007 £
Other debtors	89,084	154,518
Prepayments	54,116	31,317
Accrued income	<u>15,187</u>	<u>577</u>
	<u>158,387</u>	<u>186,412</u>
13(a) Current asset investments	2008 £	2007 £
HSBC Money Market	150,000	250,000
	<u>150,000</u>	<u>250,000</u>
13(b) Investment properties	2008 £	2007 £
Valuation – 14 Murray Road		
At 1 April 2007	180,000	-
Transfer from tangible fixed assets	-	180,000
Disposal	<u>(180,000)</u>	<u>-</u>
At 31 March 2008	<u>-</u>	<u>180,000</u>
During the year the investment property was sold.		
Sale proceeds	185,000	-
Current asset value of investment property	<u>(180,000)</u>	<u>-</u>
Surplus on disposal	<u>5,000</u>	<u>-</u>
The associated costs of disposal were £4,518 and are included in consultancy and professional fees.		
14 Creditors: amounts falling due within one year	2008 £	2007 £
Advance rental receipts	20,172	32,992
Other creditors	8,122	61,584
Accruals	113,027	84,518
Deferred income	<u>32,097</u>	<u>83,635</u>
	<u>173,418</u>	<u>262,729</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

15 Commitments under operating leases

At 31 March 2008 the charity had annual commitments under non-cancellable operating leases as set out below:

	2008		2007	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within one year	329,266	-	469,474	-
Within 2 to 5 years	-	1,513	-	10,713
After 5 years	-	12,325	-	2,397
	<u>329,266</u>	<u>13,838</u>	<u>469,474</u>	<u>13,110</u>

16 Unrestricted Funds

	Movement in resources				
	Balance at 01.04.2007 £	Incoming resources £	Utilised/ released £	Transfers and gains/(losses) £	Balance at 31.03.2008 £
Designated					
Major Repairs fund	326,077	-	-	-	326,077
Broadmead Court Refurbishment fund	400,000	-	(155,504)	-	244,496
Other charitable funds					
General	550,599	2,616,297	(2,678,378)	165,029	653,547
Revaluation	<u>746,037</u>	-	-	<u>(101,901)</u>	<u>644,136</u>
	<u>2,022,713</u>	<u>2,616,297</u>	<u>(2,833,882)</u>	<u>63,128</u>	<u>1,868,256</u>

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

The Major Repairs fund is a fund for anticipated future repairs and renewals costs. In August 2004 a property stock commission survey was conducted by Rooftop which has identified a significant funding requirement over the next 30 years.

The Broadmead Court refurbishment fund is a fund set aside for planned structural works and refurbishment works at Broadmead Court.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

17	Restricted Funds	Movement in resources				Balance at 31.03.2008 £
		Balance at 01.04.2007 £	Incoming resources £	Utilised/ (released) £	Transfers £	
	Mayday Independence	16,459	9,336	19,797	-	5,998
	Mayday House	6,242	48,857	54,039	-	1,060
	Leamington 1	3,932	-	1,156	-	2,776
	Leamington 2	7,947	-	2,898	-	5,049
	William Wallsgrove	11,418	2,570	7,120	-	6,868
	Stephen Ross House	13,464	91,488	95,469	-	9,483
	Conduit Road	87	-	-	-	87
	Northampton	46,587	-	8,223	-	38,364
	Wellingborough	58,216	1,100	29,347	1,843	31,812
	Leighton Buzzard	26,704	1,605	17,686	-	10,623
	Daventry	6,316	8,132	4,215	-	10,233
	Janus	2,269	-	426	(1,843)	-
	Parkfield	150	-	-	-	150
	FutureTracks	27,433	14,767	21,345	-	20,855
	Central	2,776	8,109	7,742	-	3,143
		230,000	185,964	269,463	-	146,501

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

18	Analysis of net assets	Tangible	Investment	Other	Total
		fixed assets £	assets £	net assets £	
	Restricted funds				
	Mayday Independence	4,244	-	1,754	5,998
	Mayday House	717	-	343	1,060
	Leamington 1	185	-	2,591	2,776
	Leamington 2	40	-	5,009	5,049
	William Wallsgrove	5,740	-	1,128	6,868
	Stephen Ross House	4,398	-	5,085	9,483
	Conduit Road	-	-	87	87
	Northampton	4,440	-	33,924	38,364
	Wellingborough	21,510	-	10,302	31,812
	Leighton Buzzard	632	-	9,991	10,623
	Daventry	656	-	9,577	10,233
	Parkfield	-	-	150	150
	FutureTracks	2,714	-	18,141	20,855
	Central	-	-	3,143	3,143
		45,276	-	101,225	146,501
	Unrestricted funds	<u>1,115,457</u>	<u>704,143</u>	<u>48,656</u>	<u>1,868,256</u>
		<u>1,160,733</u>	<u>704,143</u>	<u>149,881</u>	<u>2,014,757</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

19 Capital commitments

At 31 March 2008 the company has committed and contracted for £9,706 of capital expenditure.

20 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.

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DONORS

Year ended 31 March 2008

Mayday Trust would like to thank all those who supported us during 2007/08. In particular, we would like to thank the many Trusts, organisations and individuals who have contributed to our work with financial and in-kind donations.

Charities Aid Foundation Every Click	Warwickshire County Council
The Order of Women Freemasons – Grand Charitable Trust	Rugby Borough Council
The Sydney Black Charitable Trust	Malcolm Adcock
The Ellis Discretionary Trust 2005	Bedford Borough Council
J C Seccombe Charitable Trust	Liebenrood Charitable Trust
Leighton-Linslade Town Council	Borough Council of Wellingborough
Crisis UK Ltd	The Richard Cadbury Charitable Trust
Judith Hughes	House of Industry Bedford
Mr & Mrs Chris Holman	Mrs Audrey Gillett
The C A Rookes Charitable Trust	Nancy Bateman Charitable Trust
The 29 th May 1961 Charitable Trust	Mrs Sylvia Clay
Christ Church Woodloes Park	Mr and Mrs Ellis
The Michael Varah Memorial Fund	Ms Betty Batt
Eleanor Barton Trust	St Nicholas Church Hockliffe
The Sir Edward Boughton Charitable Trust	Association of Dunstable Charities
Maud Elkington Charitable Trust	Garfield Weston Foundation
Provincial Grand Lodge of Warwickshire – Freemasons of Warwickshire	LHA ASRA Group
Mr and Mrs Johnson	The Billington Lands Charity
Miss Ellen Maud Paxton	