



MAYDAY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2010

Company number: 02911222
Charity number: 1035524

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MAYDAY TRUST
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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2010

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 2010.

Reference and Administrative Information

Charity Name	Mayday Trust
Charity Registration Number	1035524
Company Registration Number	02911222
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
N A Banister
C R Holman
R G Hume (resigned 31 May 2010)
J P Reed
L K Stacey
C Turner
A Trye (appointed 17 November 2009)
K Iceton (appointed 23 July 2010)

In accordance with the Articles of Association, N A Banister and J P Reed will retire by rotation and, being eligible, will stand for re-appointment.

Company Secretary

G Jackson

Senior Executive Team

Chief Executive – C Ward
Head of Corporate Services – G Jackson
Head of Operations and Property Services – S Sullivan

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2010

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

Cater Allen
9 Nelson Street
Bradford
BD1 5AN

Investment Managers

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

Constitution and general objectives

Governing Document

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

Recruitment and Appointment of Trustees

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

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

Trustee Induction and Training

The Trustee Induction Programme has been updated to incorporate changes made to the Memorandum and Articles of Association in 2009. Trustees continue to attend relevant training programmes as required for the role.

The role of Visiting Associate was reviewed and is no longer required.

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Risk Management

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

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 have been updated.

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.

Objectives and Activities

The charitable company's objects:

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

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Year ended 31 March 2010

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

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

Visions and Values

"Mayday Trust is committed to enabling vulnerable people 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 clients and employees.
- Partnership – working with Commissioners, statutory and other agencies to meet the needs of vulnerable people.
- Client – providing services which are sensitive and responsive to client needs.
- Equality – challenges inequality and respects diversity.
- Efficiency – making the best use of financial resources to provide efficient and cost effective services.
- Progressive employment – developing a skilled and motivated workforce.

Operating Principles

- Mayday Trust works in a way that makes a positive difference to the lives of our clients.
- Mayday Trust provides value for money services to its funders.
- Mayday Trust works in partnership with its stakeholders, clients and other agencies – sharing best practice by cross-agency engagement.
- Mayday Trust delivers qualitative and quantitative services through focussed and empowered employees.
- Mayday Trust continually reviews and improves its performance, through effective monitoring and outcome reviews, encouraging and enabling all employees and clients at Mayday Trust to fulfil their potential.
- Mayday Trust recruits, develops and retains excellent employees, using their talents to the full.
- Mayday Trust ensures that it meets the Public Benefit requirements of the Charities Act 2006.

Strategic Aims

- Mayday Trust's clients are involved and consulted on the services provided by Mayday Trust.
- Mayday Trust will develop an outcome driven culture, with qualitative and quantitative measures of performance.
- Mayday Trust will be the preferred supplier of specialist support to vulnerable people.

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2010

- Mayday Trust develops strategic and local partnerships/ alliances with other organisations including cross-sector alliances, whilst retaining the charitable ethos/ values.
- Mayday Trust will manage market intelligence and business relationships using a Customer Relationship Management (CRM) system.
- Mayday Trust will ensure that the business model is able to meet the changing demands of Commissioners, funders and clients.

Report of the Chief Executive – Caroline Ward

2009/2010 was a year where Mayday Trust celebrated 30 years of providing invaluable services to vulnerable people. The business model implemented in 2008/2009 continued to deliver excellent services to Mayday Trust's clients and Commissioners.

The market in which Mayday Trust operates has and will continue to change; with increased competition in the market place and challenges from Commissioners seeking "more for less" with funding under review. Two separate strategy sessions were held during this financial year so that the Board and Senior Management Team could review the strategic direction of the Trust. The current business and strategic plans were reviewed and updated to reflect the increased drive for business growth/diversification.

Mayday Trust received a legacy during the financial year; Mrs Gill Goodridge, the owner of a property in Daventry that Mayday Trust leased, sadly passed away and left the property to the Trust. This legacy will continue to benefit vulnerable people in Daventry.

It is good to report for the second year running, that Mayday Trust has produced a surplus on unrestricted funds for 2009/2010 amounting to £538k, the result of a robust financial performance based on very good financial management.

Mayday Trust has strengthened its relationships with Commissioners, stakeholders, statutory agencies, registered social landlords, funders, charities and key suppliers. By working in collaboration with other organisations, Mayday Trust has enhanced the services offered to clients and opened up opportunities to grow/diversify the business.

Supporting People and Housing Benefit continue to be the main income streams for Mayday Trust. The Trust has been actively looking at diversifying the funding streams, with less reliance on the two main streams of income. Supporting People funding is no longer "ring fenced" and forms part of the Area Based Grant for Local Authorities. Mayday Trust has established scenarios to deal with any changes to funding and impact on the current services. Changes in funding have also identified opportunities for Mayday Trust to access additional/different funding in the existing three counties.

Mayday Trust continues to be a top quartile performer across the three counties, with performance improving year on year. The Trust is moving towards an Outcomes based service delivery model that is person centred and delivers national/local targets/indicators.

The Trust has supported a diverse portfolio of training for staff. With training in mandatory fields, vocational training and a management refresher training programme.

With the change in Government in 2010, Mayday Trust are well positioned financially to deal with opportunities and challenges in the next financial year. Mayday Trust has a strong board of trustees supporting the Senior Management Team in their drive to build on the last thirty years of supporting vulnerable people. The Trust is approaching a new era, knowing it has the capability of delivering more services to even more vulnerable people.

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2010

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 increased in overall value during the year by £147,583. During the year realised losses of £4,212 were made and at the year end the market value adjustment was an unrealised gain of £145,344. The average yield of the portfolio, incorporating market value movements and investment income was 32.1% (2009: 27.3%).

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, however in line with market forces, has suffered from a significant fall in value 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 £1.2m.

During the year Mayday's general reserves decreased from £748,359 to £705,995 whilst its designated funds increased from £769,496 to £1,179,146. At 31 March 2010 Mayday's free reserves (that is those unrestricted reserves represented by assets other than tangible fixed assets) were £1,396,256.

Restricted funds decreased from £72,832 to £32,818. Mayday has a number of designated and restricted funds. The purpose of these funds is detailed in notes 15 and 16 in the financial statements.

Statement of Trustees' Responsibilities

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

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DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2010

Statement of Trustees' Responsibilities (continued)

Company law requires the trustees 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 trustees 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 departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees of the company 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.

The trustees 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.

Auditors

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

Approved by the Board of Trustees on 24 September 2010 and signed on its behalf by:

L K Stacey
Trustee

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

We have audited the financial statements of Mayday Trust for the year ended 31 March 2010 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable 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

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' and Trustees' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or certain disclosures of trustees' remuneration specified by law are not made.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements 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 examination, on a test basis, of evidence relevant to 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 misstatement, 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 MEMBERS OF
MAYDAY TRUST (continued)
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Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable companies affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' and Trustees' Report is consistent with the financial statements.

**Simon Atkins BSc ACA
Senior Statutory Auditor**

**For and on behalf of Clement Keys
Statutory Auditors
Chartered Accountants**

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

24 September 2010

MAYDAY TRUST
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STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 March 2010

	Note	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
Incoming resources					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations and legacies	2	143,425	11,885	155,310	33,267
Investment income	3	17,532	-	17,532	28,930
Incoming resources from charitable activities					
Grants and funding for provision of accommodation	4	2,697,497	123,719	2,821,216	2,652,842
Other income		<u>30,325</u>	<u>-</u>	<u>30,325</u>	<u>28,370</u>
Total incoming resources		<u>2,888,779</u>	<u>135,604</u>	<u>3,024,383</u>	<u>2,743,409</u>
Resources expended					
Costs of generating funds					
Investment management costs	5	5,875	-	5,875	5,526
Charitable activities					
Costs in furtherance of charitable objects	6	2,496,915	175,618	2,672,533	2,486,690
Governance costs	7	<u>14,491</u>	<u>-</u>	<u>14,491</u>	<u>18,481</u>
Total resources expended		<u>2,517,281</u>	<u>175,618</u>	<u>2,692,899</u>	<u>2,510,697</u>
Net incoming/(outgoing) resources for the year		371,498	(40,014)	331,484	232,712
Other recognised gains and losses					
Unrealised gains/(losses) on revaluation of tangible fixed assets	10	25,725	-	25,725	(120,000)
Unrealised gains/(losses) on investments	11	145,344	-	145,344	(105,039)
Realised losses on investments	11	<u>(4,212)</u>	<u>-</u>	<u>(4,212)</u>	<u>(26,739)</u>
Net movement in funds		538,355	(40,014)	498,341	(19,066)
Reconciliation of funds					
Balances brought forward		<u>1,922,859</u>	<u>72,832</u>	<u>1,995,691</u>	<u>2,014,757</u>
Balances carried forward		<u>2,461,214</u>	<u>32,818</u>	<u>2,494,032</u>	<u>1,995,691</u>

The notes on pages 13 to 25 form part of these financial statements.

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SUMMARY INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2010

	Note	2010 £	2009 £
Income		3,006,851	2,714,479
Expenditure		<u>(2,692,899)</u>	<u>(2,510,697)</u>
Net operating surplus		313,952	203,782
Other income			
Interest receivable and similar income	3	17,532	28,930
Loss on sale of fixed asset investments	11	<u>(4,212)</u>	<u>(26,739)</u>
Net surplus for the year		<u>327,272</u>	<u>205,973</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.

The notes on pages 13 to 25 form part of these financial statements.

MAYDAY TRUST
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BALANCE SHEET
as at 31 March 2010

Registered Number 02911222

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,067,093		952,682
Investments	11		<u>578,221</u>		<u>430,638</u>
			1,645,314		1,383,320
Current assets					
Debtors	12	72,152		69,836	
Cash at bank and in hand		1,021,317		757,367	
		1,093,469		827,203	
Creditors: amounts falling due within one year	13	<u>(244,751)</u>		<u>(214,832)</u>	
Net current assets			<u>848,718</u>		<u>612,371</u>
Total assets less current liabilities			<u>2,494,032</u>		<u>1,995,691</u>
Funds					
Unrestricted funds					
Designated funds	15		1,179,146		769,496
General funds	15		705,995		748,359
Revaluation	15		576,073		405,004
Restricted Funds	16		<u>32,818</u>		<u>72,832</u>
			2,494,032		1,995,691

The notes on pages 13 to 25 form part of these financial statements.

These financial statements were approved by the Board of Trustees on the 24 September 2010 and are signed on their behalf by:

L K Stacey

Trustee

J Arnold

Trustee

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

1 Accounting policies

1.1 Basis of preparation

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

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

1.2 Cash flow statement

The charitable company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement.

1.3 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 15.

1.4 Incoming resources

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

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.

1.5 Resources expended

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

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

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

1.6 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.

1.7 Tangible fixed assets and depreciation

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

Freehold property	2.5% straight line
Equipment	25% straight line

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

1.8 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.

1.9 Investments

Investments are included in the financial statements at the stated HSBC Fund Managed market value being closing bid price. Investment properties have been independently valued (see note 10).

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

1 Accounting policies (continued)

1.10 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.

2 Donations	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
Donations and legacies	143,425	11,885	155,310	33,267
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included within the above is the property at 79 Warwick Street, Daventry left to the charity by legacy.

3 Investment income	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
Listed investments	12,361	-	12,361	13,784
Bank interest receivable	<u>5,171</u>	<u>-</u>	<u>5,171</u>	<u>15,146</u>
	17,532	-	17,532	28,930
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Grants and funding for provision of accommodation	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
Gross accommodation charges	1,527,910	-	1,527,910	1,412,171
Accommodation voids	(60,137)	-	(60,137)	(78,573)
Local Authority funding	-	39,766	39,766	38,607
Supporting People Grant	1,229,724	-	1,229,724	1,199,815
Social Services funding	<u>-</u>	<u>83,953</u>	<u>83,953</u>	<u>80,822</u>
	2,697,497	123,719	2,821,216	2,652,842
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Investment management costs	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
HSBC Investment Portfolio management fees	5,875	-	5,875	5,526
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

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

	Unrestricted Funds	Restricted Funds	2010 Total	2009 Total
	£	£	£	£
Provision of charitable services				
Direct costs				
Wages and salaries	1,094,740	91,643	1,186,383	1,066,606
Depreciation	65,108	17,145	82,253	96,524
Housing Association charges and rental	401,642	-	401,642	386,383
Repairs and renewals	71,366	34,270	105,636	128,811
Computer costs	24,721	-	24,721	12,330
Security costs	18,278	-	18,278	16,028
Council tax and rates	62,607	-	62,607	71,637
Light and heat	164,175	-	164,175	114,145
Telephone and broadband	31,707	-	31,707	22,313
Insurance	39,999	-	39,999	50,124
Advertising and marketing	18,266	-	18,266	25,265
Residents recreation and training	-	32,560	32,560	27,570
Consultancy and professional fees	36,461	-	36,461	27,341
Bad debts	2,499	-	2,499	7,367
Licences and rentals	19,471	-	19,471	19,100
Office supplies and printing	13,525	-	13,525	14,255
Other costs	<u>151,774</u>	<u>-</u>	<u>151,774</u>	<u>162,277</u>
	2,216,339	175,618	2,391,957	2,248,076
Support costs				
Wages and salaries	<u>280,576</u>	<u>-</u>	<u>280,576</u>	<u>238,614</u>
	<u>2,496,915</u>	<u>175,618</u>	<u>2,672,533</u>	<u>2,486,690</u>
7 Governance costs	Unrestricted Funds	Restricted Funds	2010 Total	2009 Total
	£	£	£	£
Trustee expenses and training	2,101	-	2,101	1,084
Audit fees	5,341	-	5,341	5,664
Legal fees	6,869	-	6,869	11,543
Other costs	<u>180</u>	<u>-</u>	<u>180</u>	<u>190</u>
	<u>14,491</u>	<u>-</u>	<u>14,491</u>	<u>18,481</u>

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Year ended 31 March 2010

8	Employees' and Trustees' remuneration	2010	2009
		£	£
	The aggregate payroll costs were:		
	Wages and salaries	1,316,586	1,183,618
	Social security costs	118,835	96,402
	Other pension costs	22,359	15,991
	Benefit in kind	<u>9,179</u>	<u>9,209</u>
		<u>1,466,959</u>	<u>1,305,220</u>

No trustee received remuneration during the year (2009: £nil).

Expenses totalling £920 were paid to six Trustees in respect of travel and subsistence (2009: £397 to three Trustees). The charitable company paid health insurance premiums of £508 in respect of three Trustees (2008: £468). During the year an amount of £1,748 was paid in respect of trustee indemnity insurance.

Expenses totalling £1,707 (2009 - £1,141) were paid to the Chief Executive during the year for travel, meetings and professional subscriptions.

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

	2010	2009
	No.	No.
£60,000 - £70,000	1	1
	=	=
Particulars of employees:	2010	2009
	No	No
The average number of staff employed by the charity during the financial year amounted to:		
Head office	10	9
Schemes	<u>63</u>	<u>65</u>
	73	74
	<u>73</u>	<u>74</u>

9	Net incoming resources	2010	2009
		£	£
	Net incoming resources are stated after charging:		
	Depreciation of owned assets	82,253	96,524
	Auditors' remuneration	5,341	5,664
	Operating lease rentals:		
	- plant and machinery	17,191	17,008
	- land and buildings	401,642	386,383
		<u>425,176</u>	<u>405,579</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

10	Tangible fixed assets	Freehold property £	Equipment £	Total £
	Cost or valuation			
	At 1 April 2009	894,000	381,388	1,275,388
	Additions	135,000	35,939	170,939
	Revaluation	-	-	-
	At 31 March 2010	1,029,000	417,327	1,446,327
	Depreciation			
	At 1 April 2009	-	322,706	322,706
	Charge for the year	25,725	56,528	82,253
	Revaluation adjustment	(25,725)	-	(25,725)
	At 31 March 2010	-	379,234	379,234
	Net book value			
	At 31 March 2010	1,029,000	38,093	1,067,093
	At 31 March 2009	894,000	58,682	952,682

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:

	2010 £	2009 £
Net book value of revalued tangible fixed assets		
Net book value at the end of year	1,029,000	894,000
Historical cost	602,928	467,928
Depreciation		
At 1 April 2009	64,480	52,782
Charge for year	15,073	11,698
At 31 March 2010	79,553	64,480
Net historical cost book value		
At 31 March 2010	523,375	403,448
At 31 March 2009	403,448	415,146

The properties owned by the charity were independently valued by Ashby Lowery Commercial, Chartered Surveyors on 24 June 2010. 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 2010

11	Fixed asset investments	2010	2009
		£	£
	Movement in market value		
	Market value of investments at 1 April 2009	396,732	468,347
	Additions	214,286	293,029
	Sales proceeds from disposals	(195,506)	(232,866)
	Realised investment losses on disposal	(4,212)	(26,739)
	Unrealised gains/(losses) on revaluation in the year	<u>145,344</u>	<u>(105,039)</u>
	Market value of investments at 31 March 2010	556,644	396,732
	Cash held for investment by brokers	<u>21,577</u>	<u>33,906</u>
	Total market value at 31 March 2010	578,221	430,638
		=====	=====
	Historical cost of investments (excluding costs) at 31 March 2010	496,848	482,280
		=====	=====

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

Investments at market value comprise:	UK	Overseas	Total
	£	£	£
Gilts	8,960	-	8,960
Equities	220,143	-	220,143
Collectives	142,503	185,038	327,541
Cash	<u>21,577</u>	<u>-</u>	<u>21,577</u>
	393,183	185,038	578,221
	=====	=====	=====

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

HSBC International Select Fund, Multialpha Global Equity 'AD'	13.0%
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MAYDAY TRUST
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

12	Debtors	2010	2009
		£	£
	Other debtors	44,322	32,108
	Prepayments	27,830	27,728
	Accrued income	<u>-</u>	<u>10,000</u>
		72,152	69,836
		<u><u>72,152</u></u>	<u><u>69,836</u></u>
13	Creditors: amounts falling due within one year	2010	2009
		£	£
	Advance rental receipts	20,114	16,859
	Other creditors	11,842	11,421
	Other taxation and social security	31,879	29,525
	Accruals and purchase ledger balances	101,301	112,993
	Deferred income	<u>79,615</u>	<u>44,034</u>
		244,751	214,832
		<u><u>244,751</u></u>	<u><u>214,832</u></u>

Included within other creditors is an amount of £3,720 (2009: £3,706) payable in respect of outstanding pension contributions.

14 Commitments under operating leases

At 31 March 2010 the charity had annual commitments under non-cancellable operating leases as set out below:

	2010		2009	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire				
Within one year	329,266	441	350,976	-
Within 2 to 5 years	-	4,554	-	5,646
After 5 years	<u>-</u>	<u>8,843</u>	<u>-</u>	<u>9,769</u>
	329,266	13,838	350,976	15,415
	<u><u>329,266</u></u>	<u><u>13,838</u></u>	<u><u>350,976</u></u>	<u><u>15,415</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

15	Unrestricted Funds	Movement in resources				
	Balance at 01.04.2009 £	Incoming resources £	Utilised/ released £	Transfers and gains/(losses) £	Balance at 31.03.2010 £	
	Designated					
	Major repairs fund	450,000	-	-	79,650	529,650
	Broadmead Court refurbishment fund	244,496	-	-	-	244,496
	Cape Road development fund	-	-	-	150,000	150,000
	IT upgrade fund	-	-	-	50,000	50,000
	Social enterprise development fund	-	-	-	30,000	30,000
	Marketing and website development fund	-	-	-	50,000	50,000
	Strategic development fund	-	-	-	50,000	50,000
	General repairs fund	<u>75,000</u>	-	-	-	<u>75,000</u>
		769,496	-	-	409,650	1,179,146
	Other charitable funds					
	General	748,359	2,888,779	(2,495,768)	(435,375)	705,995
	Revaluation	<u>405,004</u>	-	-	<u>171,069</u>	<u>576,073</u>
		1,922,859	2,888,779	(2,495,768)	145,344	2,461,214
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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.

Major repairs fund

The trustees are aware that all schemes will require refurbishment on an ongoing basis. This fund is calculated based on estimated funds required per resident over a rolling period of five years.

Broadmead Court refurbishment fund

A specific fund set up by the trustees for refurbishment of the property occupied by the Northampton scheme which is owned by the Trust.

Cape Road development fund

The trustees have committed to purchase a building in Warwick for a new scheme. This fund covers the estimated costs of conversion.

IT upgrade fund

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

Social enterprise development fund

The trustees are aiming to set up a Social Enterprise and have set aside funds for this purpose.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

15 Unrestricted Funds – continued

Marketing and website development fund

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

Strategic development fund

The trustees have set aside funds for establishing the Social Return on Investment and other business intelligence.

General repairs fund

A fund set up by the trustees for minor repairs and replacement of furnishings.

16 Restricted Funds

	Movement in resources			Balance at 31.03.2010 £
	01.04.2009 £	Balance at Incoming resources £	Utilised/ (released) £	
Ashwood Court	3,643	6,600	(5,886)	4,357
Mayday House	8,944	82,853	(91,027)	770
Leamington	11,751	200	(5,769)	6,182
Bedford	6,674	40,153	(44,323)	2,504
Northampton	19,616	275	(7,856)	12,035
Wellingborough	14,980	1,947	(14,309)	2,618
Leighton Buzzard	3,159	575	(3,159)	575
Daventry	1,834	2,575	(1,894)	2,515
Central	<u>2,231</u>	<u>426</u>	<u>(1,395)</u>	<u>1,262</u>
	72,832	135,604	(175,618)	32,818
	<u><u>72,832</u></u>	<u><u>135,604</u></u>	<u><u>(175,618)</u></u>	<u><u>32,818</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

17	Analysis of net assets	Tangible fixed assets	Investment assets	Other net assets	Total
	Restricted funds	£	£	£	£
	Ashwood Court	-	-	4,357	4,357
	Mayday House	-	-	770	770
	Leamington	2,135	-	4,047	6,182
	Bedford	-	-	2,504	2,504
	Northampton	-	-	12,035	12,035
	Wellingborough	-	-	2,618	2,618
	Leighton Buzzard	-	-	575	575
	Daventry	-	-	2,515	2,515
	Central	-	-	1,262	1,262
		<u>2,135</u>	-	<u>30,683</u>	<u>32,818</u>
	Unrestricted funds	<u>1,064,958</u>	<u>578,221</u>	<u>818,035</u>	<u>2,461,214</u>
		<u>1,067,093</u>	<u>578,221</u>	<u>848,718</u>	<u>2,494,032</u>

18 Capital commitments

At 31 March 2010 the company had committed to purchase 131 Cape Road, Warwickshire for £230,000. Contracts were exchanged on 6 April 2010.

19 Company limited by guarantee

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

As at 31 March 2010 there were 49 members of the charitable company.

20 Pensions obligations

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

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

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

20 Pensions obligations – continued

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

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

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

As at the balance sheet date there were 21 active members of the Plan employed by Mayday Trust. Mayday Trust continues to offer membership of the Plan to its employees.

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

The valuation results at 30 September 2008 have now been completed and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The Scheme Actuary has prepared a funding position update as at 30 September 2009. The market value of the Plan's assets at that date was £765 million and the Plan's Technical Provisions (i.e. past service liabilities) were £820 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £55 million, equivalent to a funding level of 93%.

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

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in-line with the 'best estimate' assumptions. 'Best estimate' means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre-retirement, 5.1% per annum post retirement (actives and deferred) and 5.6% per annum post-retirement (pensioners).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

20 Pensions obligations – continued

A copy of the recovery plan must be sent to The Pensions Regulator. A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009.

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre-October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

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

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre-October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre-October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

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DONORS

Year ended 31 March 2010

Mayday Trust would like to thank all those who supported us during 2009/10. 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.

Beatrice Laing Charitable Trust
Wyville Charitable Trust
Rugby Rotary Club
Mrs Sylvia Clay
Mr & Mrs Ellis
Leamington & Warwick Lions
Garfield Weston Foundation
Bedford Lions Club
Constance Travis Charitable Trust
Bill Bellamy Book Sale
Paddox Methodist Church
Sydney Black Charitable Trust
Mr & Mrs C Holman
Provincial Grand Lodge of Warwickshire
Gill Goodridge Legacy
Tony Reed

The 29th May 1961 Charitable Trust
Sir Edward Boughton Trust
Northampton 80's Lions Club
Daventry Rotary Club
Baron Davenport Charity
Mrs Jenny Johns
Mr & Mrs D Grozier
Leighton-Linsdale Council
Janet Groves
Waitrose - Leamington
Co-Operative Funerals - Rugby
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