

ANNUAL REPORT

& SUMMARY FINANCIAL
STATEMENTS 2006/07



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Board of Management and Directors as at 31 March 2007

Chair D F Blair FRICS

Vice-Chair W M Renton

Board Members

P Kinloch AMRSH

W R Palmer MCIInstM, MIIM, MiMgt, FFB

W R Clarkson ACMI

J Dick, OBE, BA, DMS

D Sutherland CSS

S Rahman (*resigned May 2006*)

K Barton FICSA

Dr Richard Coles FRCS(ENG), FRCS(PLAST), FRCS(ED), MBChB (*appointed from September 2006*)

I Luke (*resigned January 2007*)

Rev. A M Millar MA, BD, MBA

P Russell FCCA

J Sillars

J C Howie CPFA

P Harper (*co-opted March 2007*)

Isle of Arran Homes Board Members

Chair: J Sillars

Vice-Chair: W R Palmer

D F Blair

H Price (*resigned September 2006*)

G Fulton

J C Howie

J Nichols

E McMaster

J Faulkner (*appointed September 2006 resigned February 2007*)

M McManus

J Murchie (*resigned September 2006*)

B Cameron

M Dee (*appointed September 2006*)

D O'Neill

I Blair

R Wilkinson

S Alison (*co-opted October 2006*)

Directors

R McDougall FCIH – Chief Executive and Company Secretary

G Veryan MCIH – Depute Chief Executive and Director of Customer Services

J Marshall FMAAT, CPFA – Director of Financial Services (*appointed April 2007*)

A F Massie BA (Econ), DipAcc, MBA - Director of Finance & IT Services (*resigned November 2006*)

K Nicholson MA (Hons), DipPM – Director of Corporate Services

D McIndoe MRICS – Director of Property Services (*appointed June 2006*)

Company Secretary – R McDougall FCIH

Auditors

Findlay & Company, Chartered Accountants and Registered Auditors, 11 Dudhope Terrace, Dundee DD3 6TS (External Auditor)

Chiene & Tait, Chartered Accountants and Registered Auditors, 61 Dublin Street, Edinburgh EH3 6NL (*resigned July 2006*) (Internal Auditor)

Baker Tilly, Chartered Accountants and Registered Auditors, 23 Queen Street, Edinburgh, EH2 1JX (*appointed August 2006*) (Internal Auditor)

Bankers

The Royal Bank of Scotland plc, 100 West George Street, Glasgow G2 1PP

Solicitors

Maclay Murray & Spens, 3 Glenfinlas Street, Edinburgh EH3 6AQ

TC Young, 7 West George Street, Glasgow, G2 1BA

Registered under the Industrial and Provident Societies Act 1965 No. 1778R(S)

Registered by Communities Scotland HEP 143

Registered Charity Number SC009086

Registered Office: 12 New Mart Road, Edinburgh EH14 1RL



The Association's Mission Statement

"The mission of Trust Housing Association Limited is to provide and manage a range of good quality housing and related services to older people and others in need which is modern affordable and appropriate to their needs."

Mission Statement Reviewed 2005

Mission

To provide quality housing and related services for older people and others in need.

Aim

To meet our strategic objectives in a varied, flexible and innovative way.

Strategic Objectives

- Assist people in living independently.
- Provide housing to meet local need.
- Deliver housing related services.
- Comply with required standards.
- Offer a range of housing services.
- Make the best use of our resources.
- Support and develop the Board of Management and staff to fulfil our mission.

Chair's Review

Board Changes

This is my first Review since becoming Chair and my starting point has to be a vote of thanks to my predecessor Wes Palmer who stood down as Chair at the AGM in September 2006. I was delighted that Wes continued to remain on the Board and thank him sincerely on behalf of the Board for all his hard work and commitment during his time in office.

Likewise, may I also take the opportunity to pay tribute to the work of my fellow Board Members during the year. Good Governance means teamwork between Board members and my colleagues have been steadfast in their support for me as Chair throughout the year. They have also worked hard to ensure consensus and collective decision making on behalf of the Association for which I am extremely grateful.

Inevitably however things change and this includes changes to Board membership. During the year Selma Rahman and Ian Luke both resigned from the Board and I would wish to take this opportunity to acknowledge their commitment and support for Trust Housing Association. They will be greatly missed.

Organisational Change

This year also saw the start of major changes to the way the Association is organised and operated.

The Chief Executive's office was restructured to better support the policy and strategy side of the business and in keeping with the principles of Best Value and the Efficiencies agenda, the post of Company Secretary was



"This year also saw the start of major changes to the way the Association is organised and operated."

deleted from the staff establishment with the duties combined within the role of the Chief Executive.

The change agenda which had previously seen the restructuring of the Property and Development function as well as the creation of a new Corporate Services operation, continued with the last major overhaul being completed within the Finance Department. We were delighted to welcome Jack Marshall to the Association as Director of Financial Services and look forward to his contribution to our continuing drive towards modernisation and growth and development of our financial services operation.

The last year has witnessed a period of enormous organisational change within Trust designed to make us fit for purpose and I would like to formally record my thanks to all our staff, in the developments and at our offices, for all their hard work and enthusiasm without which we would fail to meet the challenges ahead.



Pirnmill, Isle of Arran

New Headquarters

Last year's annual report highlighted our move to the new headquarters office in New Mart Road in Edinburgh.

The move took place in early September 2005 and improvements to the working environment and more importantly working practices were very immediate and obvious. Staff commented on the improvements from working in an open plan office where you can see and talk to your colleagues on a daily basis.

It was a major shock therefore when in May 2006 we were subject to a burst pipe in the air conditioning unit located in the roof space which flooded and emptied around 1,000 gallons of water into our brand new office. We were fortunate that the problem was caught quite early on and immediate remedial action prevented the damage from being worse than it was. But the damage was significant enough nonetheless.

The upper east wing of the building, accommodating approximately 25 staff was completely devastated with water damage, requiring the total relocation of all staff. The next few weeks and months saw considerable flexibility and co-operation as colleagues crammed into other areas, hot desked or

worked from other offices or developments. My thanks go to each of them for their tolerance and forbearance in coping with the upheaval and disturbance involved.

Thankfully in due course we were able to complete repairs and reoccupy that side of the building and there was significant relief from everyone involved when they could finally "return home".

Equal Opportunities Programme

The Equal Opportunities Programme as well as the team itself, goes from strength to strength. Rohini Sharma Joshi, Housing Equal Opportunities Manager for Trust, Hanover (Scotland) and Bield Housing Associations leads a team providing a wide range of support services designed to integrate black and minority ethnic communities and particularly the elderly, into the wider community.

"The team has been further strengthened with the appointment of Nasreen Amjad as a project worker assigned to providing Job Opportunities support."

Trust, Hanover (Scotland) and Bield's jointly created Equal Opportunities Programme has now diversified and developed covering a range of different but related issues. The Happy to Translate logo initiative continues to develop and promote the logo which is designed to help overcome language barriers faced by Scotland's BME communities and provide equal access to information and services.



The Pension Benefit Outreach Programme has now reached the end of its funding programme and has proved extremely successful with the original target response rate over 18 months, being met in the first 12 months of operation. Such has been the benefit derived from this work for the residents of all three Associations, that we agreed to jointly fund the post on a permanent basis to maintain the quality of advice available on this complex but very important topic. We are delighted that Aisha Nadeem, the former project worker who is a recognised expert on benefits, has been appointed to this post.

Supporting People

Supporting People and the contractual and financial arrangements with local authorities, continue to be challenging. Local Authority funding for Supporting People is under pressure nationally and very often the grant

allocation we receive represents a significant reduction in real terms on last years' allocation. This continues to provide us with a serious and significant challenge for the future.

A number of Local Authorities are also reviewing the entire delivery of their services to the elderly and we have been invited to work with some of our partner authorities in the development of these new service models. We are also working hard behind the scenes to better analyse our operating costs to ensure we remain competitive and cost effective - the challenges continue.

Property and Development

This year we completed 22 new homes in Mission Place, Motherwell with a further 8 in Pirnmill, Arran combining to form a total development programme of £2.8m. As well as building new properties we were also very active in seeking grant aid to help us deliver



The Senior Management Team (Head of Housing Services not present)

aids and adaptations to allow people to sustain independent living in their own home.

On the Property side of our operation, our new Director of Property and Development David McIndoe has set about his new job with gusto and the benefits are already beginning to be seen. We have appointed a number of staff as part of the wholesale restructuring of the department which has seen a transformation in the way we operate and deliver services.

With service excellence and the wellbeing of our residents as our primary concern, I look forward to the improvements introduced so far merely being the start of greater things yet to come.

Training for Service Delivery

Finally, I want to recognise the immense efforts put in by all our staff on an individual basis to training and development. As an organisation we are only as good as the people who work for us and it would be remiss of me not to acknowledge the number of our development staff colleagues who are going through the SVQ training programme.

Conclusion

Looking back, the year under review has been a period of enormous transition where we put

in place fundamental changes to the way we work and operate. These changes will take time to fully develop but over time I am confident we will see the benefits arising from our new approach as we become fitter, leaner and ever more efficient as an organisation.

None of this could happen without the help of my fellow Board Members and I should like to thank all of my colleagues on the Board for their help and valued support.

We continue to strive for service excellence in all that we do and try to improve the quality of our efforts, year on year. Our staff are key to improving the quality of life for our customers and I am grateful to all those who have helped the association grow and develop during the year.

I look forward to meeting as many members of the Association as possible at the Annual General Meeting and would remind you that we welcome your views and encourage your interest in the Association at all times.

D F Blair
Chair

Chief Executive's Review

The last year has undoubtedly been one of significant change and development.

Restructuring

The restructuring of our services continued apace with the improvement to our Corporate Services team and the recruitment of staff to our new Property and Development department. The structural changes were completed with the agreement to remodel the financial services function and appoint a new Director and Financial controller to head up the change process in the finance department. I am delighted to welcome Jack Marshall to the post of Director and to congratulate Kevin Craik on his appointment as Financial Controller. I am confident they will help me continue the drive to modernise and transform the way we work and shape the future for the organisation.

Office Accommodation

Our brand new office was devastated by a burst pipe which severely damaged the upper east wing and caused chaos for a short period of time until we could get people back on line and rearranged in alternative locations. It is only when you take the time to reflect and look back that you appreciate the level of damage and disruption caused and I must take the chance to record my grateful thanks to every member of staff for all their help, forbearance and assistance.

After some six months of varying degrees of disruption we were able to finally say that we thought we had got things back to normal and people could return to their former location. A timely reminder, if ever it were needed, for the need for a Business Continuity Plan and requirement to think ahead and plan for the unexpected.



"This year also saw the start of major changes to the way the Association is organised and operated."

Governance Restructuring

The Board's willingness to modernise how we work was reflected nearer to home when they agreed to review their own working practices. The Board recognised that the nature of our business has changed and we need to be responsive to these changes. In so doing, they also recognised that they themselves wished to ensure they were responding to best practice and as a result agreed to carry out a wholesale review of governance within the association.

The first part of this review involved the decision to change the nature and operation of the Board and its' Sub Committees. The new set up involves having the Board of Management meet 6 times a year on a bi-monthly basis. Below this, there are two main Sub Committees operating on a thematic basis who meet every 8 weeks. The Strategy Sub Committee addresses policy and procedures, planning, budgets and continuous improvement. Whereas the Operations Sub Committee considers service delivery, customer relations, performance monitoring and



Work continues at Mission Place

development. Two further Sub Committees complete the new arrangements, The Audit Sub Committee meets approximately 3 times per year whilst the Isle of Arran Homes Sub Committee serves to promote the interests of our customers on Arran and meets on a bi-monthly cycle.

Although it is early days, the new Board and Sub Committee structure has reduced the number of meetings which take place, and has helped focus the way we operate and govern the organisation.

The next stage in the process is a wholesale review of the Association's governing rules and regulations to make sure we are up to date and reflect current thinking and good practice. It is both significant and very positive that the Board should recognise that the drive for service improvement should be mirrored by a corresponding review of how the organisation is governed.

Staffing

Our workforce is our greatest asset and we are fortunate to employ a great bunch of people who provide excellent services across the length and breadth of the country.

August 2006 saw us return to our former conference venue at the West Park Centre,

Dundee to host our staff conference. This was a welcome return to a location which is familiar to us and its popularity was reflected in the fact that over 150 Trust employees attended over the two days, making it a very successful and worthwhile conference providing useful training and networking opportunities for all concerned.

During the early part of 2007 we completed a five day review of our liP status (Investors in People). Only by regularly assessing our working practices and procedures can we maintain our liP status. I am delighted to confirm we not only matched the necessary requirements but in some categories we exceeded them. Once again credit to all of our staff, both development and office based.

Last year saw many new faces join the organisation with new working practices and procedures coming into place. What hasn't changed however is the commitment, loyalty and professionalism of all our development and office based staff. My thanks to each and every one for their continued support and assistance in providing quality services to those we serve.

Annual General Meeting

September was also the month when we held our Annual General Meeting (AGM) in the Grosvenor Hotel in Edinburgh. We normally alternate the AGM between Glasgow and Edinburgh and true to form; our AGM was very well attended with tenants, Board Members and some of our key partners in attendance from across the central belt of Scotland. I am delighted to confirm that David Blair was voted into office as Chair of the Association for 2006/07.

Supporting People

The challenge of Supporting People continues. Nationally, the total funding available for



Tenants on a visit to the Royal Yacht

Supporting People is reducing and local authorities are inevitably passing on their share of the cuts. How this impacts in different areas varies significantly but what is constant is the drive from all directions for increased efficiencies, cost savings and ultimately that we provide more for less.

Operating costs and the need to provide value for money has never been more important. As an organisation we are continually reviewing how we work and how best we can operate to be as efficient, economic and effective as possible.

Rents and Services

We have continued to place considerable emphasis on business planning and financial management over the course of 2006 and, as a result, we have been able to hold rents stable in relation to inflation as we go into 2007, with an increase of 3.6%. We will

continue to set challenging financial targets and aim to deliver an Operating Surplus throughout the duration of the business plan. We will be working hard over 2007 to ensure that we continue to provide value for money.

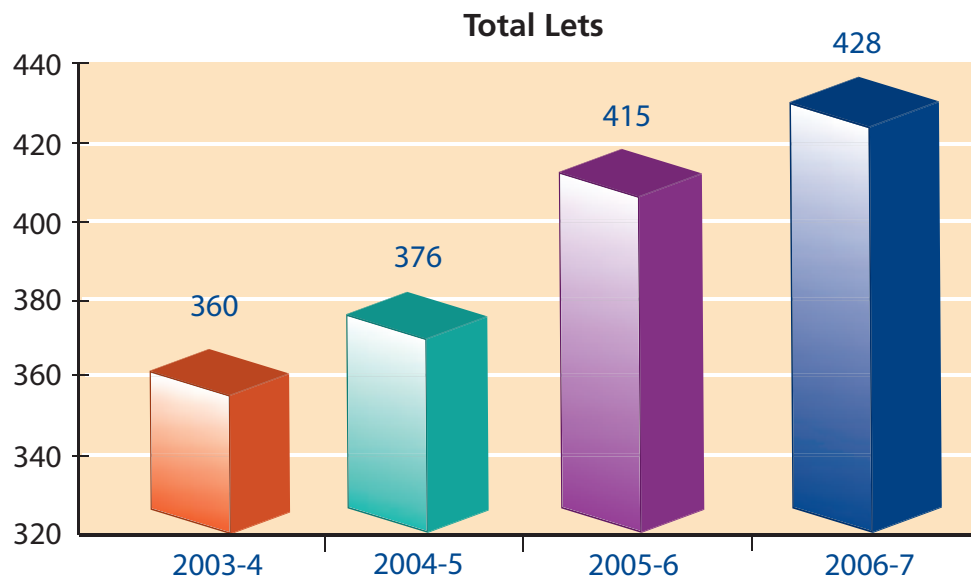
Together with the broader family of Trust staff, our aim is to ensure that we deliver a workforce plan that ensures we have the planned capacity to meet the business needs of the future. My thanks to all staff for their continuing hard work and the support they have given to me over the year as we look forward to the year ahead with plenty more challenges and demands ahead.

Bob McDougall
Chief Executive

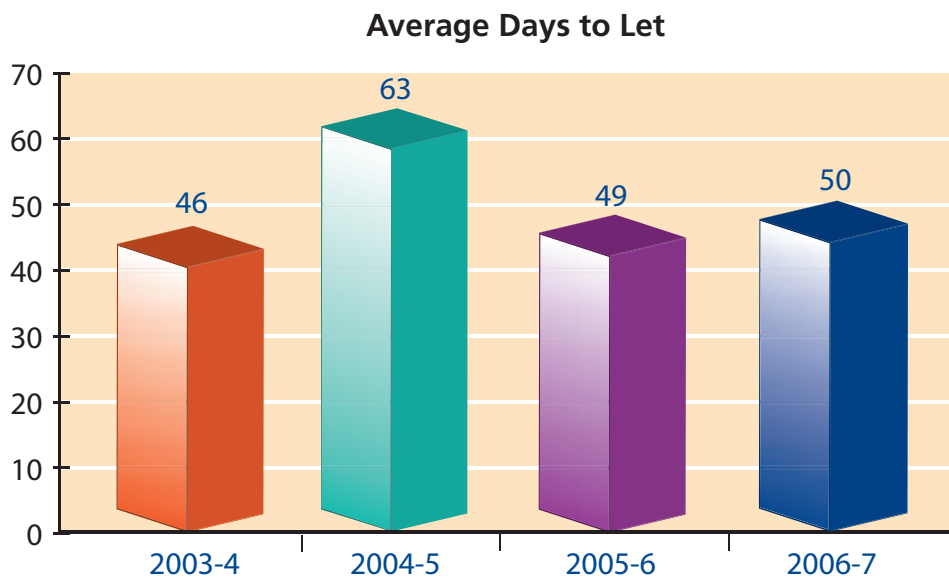
2006 - 2007 Customer Services Review

Customer Services within Trust includes Housing Services, Care & Support Services and Isle of Arran Homes.

2006-07 represented yet another year full of challenges the highlights of which follow.

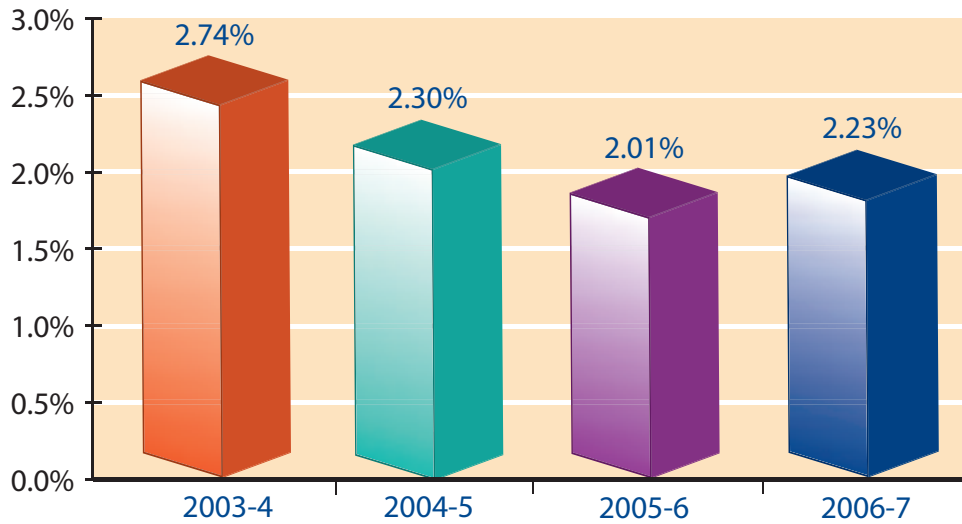


Between reletting empty houses and letting new homes for the first time, we continue to see an increasing trend.



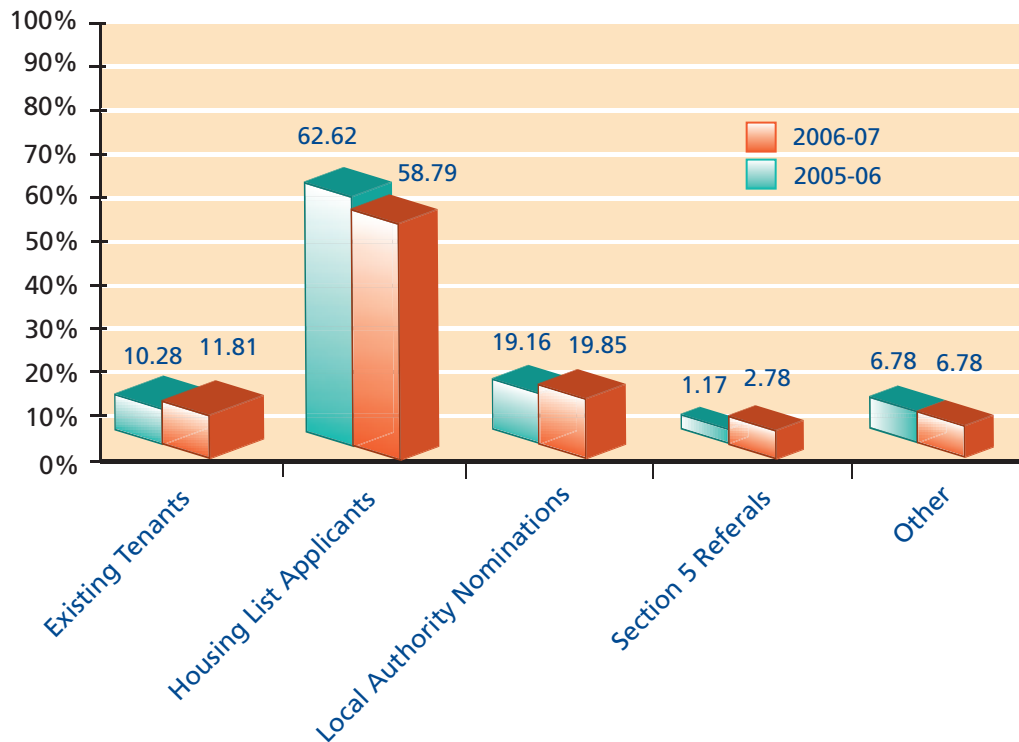
Reletting quickly, houses which have become empty continues to be a priority for Housing staff, despite not quite matching last year's performance.

Overall % Rental Income Lost Through Voids



Empty houses mean lost income to Trust – we have not quite managed to match the downward trend of the previous three years.

Who we let our houses to 2005-06



Our new tenants continue to come to Trust mainly from our own waiting list.

We were delighted to launch Scottish Housing Options (SHOP) early in 2007 in partnership with Bield and Hanover (Scotland) Housing Associations. SHOP is a common housing register which means that one housing application made to any of the three landlords gives applicants access to over 10,000 homes throughout Scotland. The second phase will see the launch of a public web site allowing applicants to apply for housing on line.



Provost Connolly of North Lanarkshire Council marks the official opening of Mission Place watched by Board members Bill Renton & Wes Palmer.

We opened two new developments; 22 very sheltered flats at Mission Place, Motherwell and 8 general needs houses in Pirnmill, Isle of Arran.

Tenant participation continued apace with the registration of a further four Registered Tenant Organisations from developments at East Kilbride, High Blantyre, Carmunnock and Forfar (Kirkriggs).

Regulation continues to be a major part of our focus and the year saw the second annual inspection by the Care Commission of our Housing Support and Care Home services. Very positive feedback was received from Commission inspectors, tenants, residents and carers, but we always regard this process as an opportunity to learn and continuously improve our services.



You can't participate on an empty stomach!

Property Services Review

The change process commenced within the Property Services Team during 2006 – 07 with new staff joining the team at all levels. During this period, we continued to deliver our core services largely due to the commitment and dedication of the existing staff team, whilst we review and re-shape our services for the future.

Property Expenditure

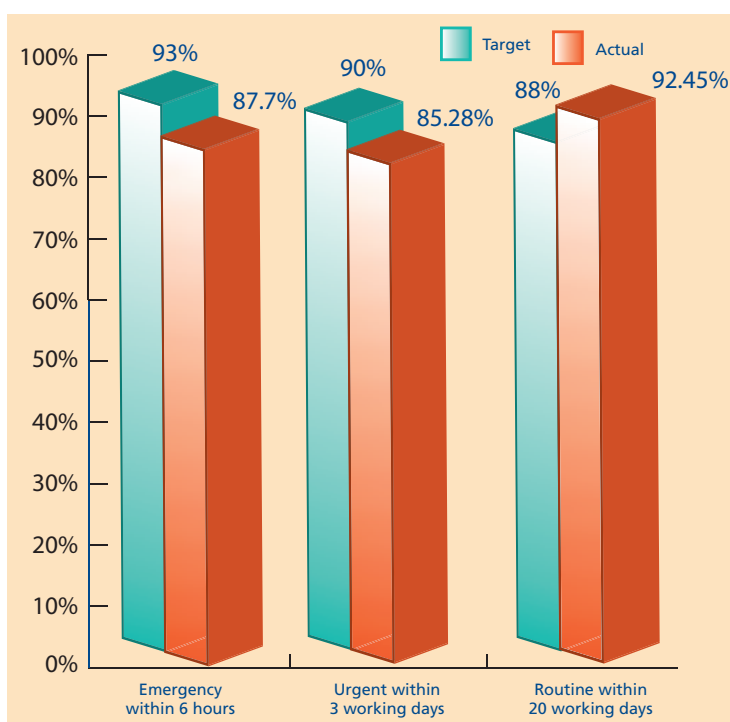
Planned Maintenance

This year we invested around £ 1.4 million in the planned and cyclical maintenance of our stock which included the following:

- 21 decoration schemes to our Developments
- Refurbished 19 kitchens
- Replaced 400 windows and doors
- Replaced 3 complete Fire Alarm systems

Day to Day Repairs

We completed around 9,000 reactive repairs on our properties at a cost of £300,000. Our performance response times are shown below, and identify areas for improvement within the Emergency and Urgent categories, which forms part of our performance plan.



Development

We successfully secured Housing Association Grant funding of £ 2.886 million, which contributed to our on-going new build development programme.

This funding provided an additional 30 homes to our stock in:

- Pirnmill Arran – 8 new homes for Isle of Arran Homes (general needs)
- Mission Place, Motherwell – 22 new homes (sheltered housing)

We have also been successful in being appointed preferred partner with Lanarkshire Housing Association for the delivery of a 20 flatted development of sheltered housing in Bellshill proposed for 2008 - 09.

Medical Adaptations

As part of our Housing Association Grant funding, we received £ 632,000 to complete medical adaptations assisting in the independent living for our tenants. This funding allowed us to complete 180 adaptations ranging from level access showers to access ramps.



Corporate Services Review

Investors in People

Trust is proud to be an "Investor in People (IiP)" organisation and has been recognised as meeting the IiP Standard since 1998.

To ensure we continue to meet the high standards set by IiP (Scotland) we are required to undergo regular inspection and assessment against a wide range of measures and activities including business planning and performance, internal communication, training and development, leadership and continuous organisational improvement.

Our most recent review took place over a period of 5 days at the beginning of February 2007. Following a very positive assessment process, the review found that not only were all areas of the IiP Standard being met, but we were exceeding these in a number of our activities and practices.

Achievement of the IiP Standard means that we can be confident that our activities and practices across the organisation are delivering positive outcomes for the services we deliver and the people we employ.

Training & Development

Another busy year on the training front with considerable activity in the past year in

providing key training and Information Technology skills to our development based staff.

The roll-out of IT training is vital in supporting the ongoing programme of installing IT facilities to all our development offices. The training and roll-out of IT facilities will greatly improve communication between all developments and our offices and through the increased use of improved facilities such as email, will significantly reduce our overhead costs including postage.

Scottish Vocational Qualifications (SVQs)

We have continued to make tremendous progress on the ongoing programme of SVQ training for development based staff. Like all providers of housing support, care and related services, our staff will in future require a recognised qualification to enable them to register with the Scottish Social Services Council (SSSC).

To date, in the region of 80% of our Supported Housing Coordinators, 48% of our Sheltered Housing Coordinators and 68% of our care staff have either achieved or are currently studying towards a Scottish Vocational Qualification recognised by the SSSC.

As most of our staff will not have to register before 2009 and will then have up to three years to complete their required qualification, we will be in a good position to ensure all of our staff are qualified well ahead of the deadlines set by the SSSC.

Providing good quality, relevant training for all our staff remains one of our key priorities through our continued investment in the SVQ programme and through the efforts of our staff in studying towards and achieving these qualifications.

Staff Conference 2006: "Trust in the Future"

The West Park Centre in Dundee was the venue for the very successful annual staff conference and training event. Our 2006 conference was our biggest event to date, with over 150 members of staff from all developments and offices in attendance.

The participants attended a series of presentations and training workshops over the course of a busy two days and feedback showed staff benefited greatly from the quality of the workshops and training sessions as well as the opportunity to meet with colleagues from all over the country.

Health & Safety

A main focus of our health and safety activity this year has been around ensuring our continued commitment to the highest standards of fire safety in our developments. This has been reinforced by the new Fire (Scotland) Act 2005 and related Regulations that came into force on the 1st October 2006.

The legislation and related guidance place a number of obligations on organisations aimed at ensuring appropriate fire safety measures are maintained. A key activity arising from this legislation has been the requirement to carry

out fire safety risk assessments of our premises, aimed at identifying possible areas of fire safety risk in our buildings and ensuring measures are taken to reduce this risk as far as possible. Trust is continuing to progress a programme of fire risk assessment audits of all our buildings.

Equalities Programme

The past year has again proved to be very active on the equalities front and among the notable achievements was the success of our joint equalities programme (with Bield and Hanover Housing Associations) in winning the "Get up and Go: a City for all Ages for inclusion of older people in Edinburgh" award. In addition, our joint equalities programme was runner up in the Guardian UK award in the category of service delivery in the care of older people.

Other initiatives and achievements of the joint equalities programme include securing additional funding for the "Happy to Translate" Logo from the Scottish Executive and expansion of this project to include 12 participating organisations throughout Scotland.

In addition, the joint Pension Benefit Outreach Project exceeded its original targets and almost £400,000 in pension benefits was secured for users of the service. We also launched a multilingual "Easy Guide to Benefits for the 60+", aimed at providing a vital new tool to help older people from different communities through the benefits maze.

Finally, the Job Opportunities Support Project achieved several milestones during the year, including assisting 14 individuals in securing employment with a range of organisations as well as providing the opportunity for a number of others to undertake work placements.

Financial Services

Financial Services comprises:

The Finance Team - providing accounting, budgeting, insurance, payroll and treasury management services

The IT Team – supporting the association’s information technology networks and applications across the organisation and throughout the offices and developments across Scotland

The Rent Team – maintaining the rent system, collecting rents and service charges, managing arrears and liaising with tenants and local authorities.

Challenges addressed in 2006/07

2006/07 was a challenging year for the Financial Services Department; the department underwent an internal review mid way through the year which resulted in a reduction in the number of finance staff, achieved through greater efficiency and improvements in working practices. The Rent Team moved from Customer Services to Financial Services to strengthen the synergies with other financial activities and to allow further efficiencies through improved work flow.

Thanks are due to Kevin Craik, Financial Controller and the Finance Team in keeping the service on track over the 4 month period the Department was without a Director.

Significant staff time resources have been allocated to Supporting People activities in order to improve the reporting and cost models in use. This will allow the Association to respond to new developments and initiatives more quickly and accurately and report back to each of the 22 local authority areas we have a relationship with, more appropriately. Presently each local authority requires differently presented accounting

information with the resultant increasing demands on staff time. Supporting People funding represents more than 18% of the Association’s income and dealing with pressures on these costs is increasingly a concern to the Association.

Other improvements within Financial Services include; improved budgeting processes and reporting; faster turnaround of monthly accounts; improved costing models for use in decision making and an update to our user procedures.

A programme of further developments will continue into the future as part of a programme of continuous improvement.

Financial Results:

Trust Housing Association is pleased to report the results for the year ended 31 March 2007. The Association’s financial stability is sound, the Income and Expenditure Account shows a surplus for the year of £0.710 million.

During 2006/07 the Association increased turnover from £13.526 million at 31 March 2006 to £14.326 million at 31 March 2007, an increase of 5.9%. The growth in turnover is due to increases in rental income of 4.3% and Landlord Services of 6.5%. Part of the increases within the Rental and Landlord Services are due to Trust generating higher rental and landlord service income from the opening of new developments at Mission Place, Motherwell and Pirnmill on the Isle of Arran. Operating costs have increased during the year from £12.442 million at 31 March 2006 to £13,573 million at 31 March 2007, an increase of 9.0%, this is mainly as a result of increased spending on property expenditure of 25% and on Supporting People costs at 16%.

The Association's financial stability is further reflected in the Balance Sheet at 31 March 2007. Housing properties increased by £3.142 million during the year to £108 million with the completion of 22 flats at Mission Place, Motherwell and 8 cottages at Pirnmill on the Isle of Arran. This represents a net investment (after grants and depreciation) in housing properties of £16.7 million. Other Fixed Assets decreased by £0.07 million due to a temporary suspension of the purchase of company cars pending consideration of a leasing scheme.

Again in 2006/07 the Association did not increase its borrowing whilst cash balances increased by £0.233 million during the year to £2.143 million at 31 March 2007. The increase in cash is mainly due to an underspend on property costs, which will be carried forward and allocated in 2007.

Capital and reserves increased by £0.710 million from £11.650 million to £12.360 million at 31 March 2007 an increase of 6%.

A Summary Income & Expenditure Account and Balance Sheet are shown on pages 20 to 22 in this report.

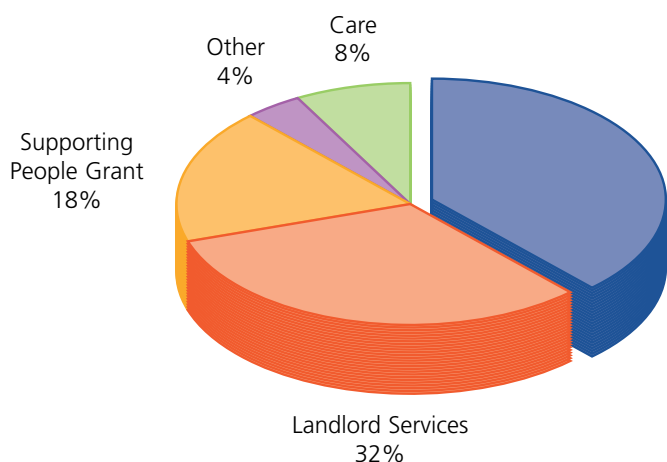
The Association's Rental Income and Expenditure is shown below in terms of how rental income received from tenants is spent.

The IT Team – supporting the Association's information technology networks and applications across the organisation and throughout the offices and developments across Scotland

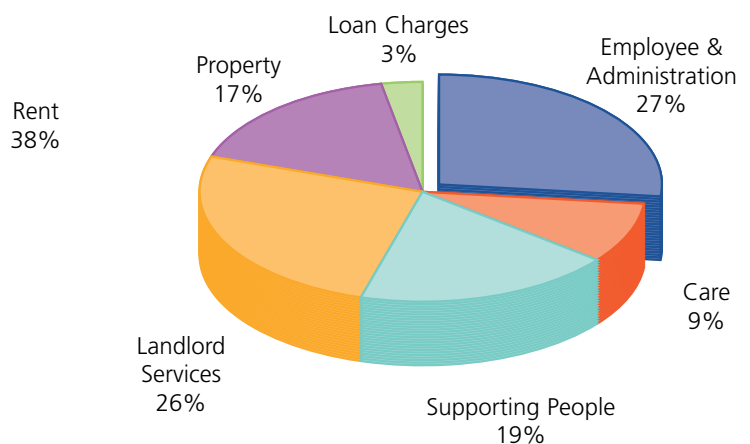
In common with other modern business, the IT network is a vital part of the Association's business framework. The IT Team has responsibility for developing and safeguarding this core facility whilst also ensuring that network downtime and disruption to users is minimised.

The work of the IT Team has continued on several existing major projects with new projects also being undertaken. The purpose of these projects is either to increase the

Income 2006/07



Expenditure 2006/07



resilience of our main computer network components or to expand and improve the IT facilities available to our expanding user base.

- A flexible audio visual system has been installed in our Edinburgh offices. This is extensively used for training courses, staff and board meetings, and meetings in general.
- An audio - video link has been provided between our Edinburgh and Arran offices. This allows Arran staff to be fully involved in meetings which shape the future of the Association without having to travel between the 2 offices. This should provide quantifiable increases in efficiency and savings over the longer term.
- The data link to Arran has been upgraded, mainly to provide the infrastructure required to host our audio - video link. The added bonus for Arran based staff is a significant improvement in response times when running our main applications.
- The program to replace desktop PCs with terminals has continued. This gives the IT department more control over the quality of support provided for our IT systems by applying standardisation. This also reduces the True Cost of Ownership.
- Extra resilience and fail-over protection has been added to the network by adding further servers to our terminal server cluster.
- The migration from Office 97 to Office 2003 has been completed. This provides a modern, consistent and stable platform for our back office functions.
- The program to roll-out laptops to our mobile workers has continued.
- The continuing program to provide access to our central network for our development based staff has continued with a further 12 developments brought on line.
- The Association's web site has gone Live. This is providing an important electronic presence and source of information detailing the ethos and work of the Association.
- A major project has been undertaken to define and implement a solution to ensure the timely recovery of the Association's IT systems in the event of a major disaster. This solution is designed to satisfy the requirements defined in the Association's Business Continuity Plan.
- Development of our main core applications continues in order to run our core business more efficiently and to provide the data required to aid the decision-making process of the Association's Management Team and Board
- SHOP, a web based waiting list and allocations system, developed in partnership with Hanover and Bield Housing Associations, is now 'Live' for office based users
- Blackberrys have been rolled out to key workers to provide an instant and efficient means of communication when staff are away from the office. This demonstrates the continued convergence of voice and data in modern IT systems
- The IT team continues to develop the Wide Area Network to provide an infrastructure to host the range of services required by our expanding user base

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRUST HOUSING ASSOCIATION LIMITED

for the period to 31 March 2007

We have examined the summarised financial statements of Trust Housing Association Limited.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing summarised financial statements in accordance with the recommendations of the Statement of Recommended Practice: Accounting by Registered Social Landlords. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and trustees annual report. We also read the information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Bulletin 1999/6 of the Auditor Statement on the Summary of Finance Statements issued by the Auditing Practices Board for use in the United Kingdom.

OPINION

In our opinion the summarised financial statements are consistent with the full financial statements and the Board's annual report of Trust Housing Association Limited for the period to 31 March 2007.



Findlay & Company
Chartered Accountants and
Registered Auditors
11 Dudhope Terrace
Dundee
DD3 6TS

19 July 2007

Income and Expenditure Account for the year ended 31 March 2007

	2007 £'000	2006 £'000
Turnover	14,326	13,526
Less: operating costs	(13,573)	(12,442)
Operating surplus	753	1,084
Profit on sale of fixed assets	234	1,356
Interest receivable and other income	99	66
Interest payable and other charges	(376)	(445)
Surplus for the year	710	2,061

Summary Balance Sheet as at 31 March 2007

	2007		2006	
	£'000	£'000	£'000	£'000
Tangible fixed assets		20,533		19,222
Current Assets	3,390		3,533	
Current Liabilities	<u>(3,652)</u>		<u>(3,456)</u>	
Net current (liabilities)/assets		(262)		77
<i>Total assets less current liabilities</i>		20,271		19,299
Non-current Liabilities		(7,911)		(7,649)
Net assets		<u>12,360</u>		<u>11,650</u>
Capital and reserves		<u>12,360</u>		<u>11,650</u>

The summary accounts are not the statutory accounts but a summary of the information relating to both the income and expenditure account and the balance sheet. The full financial statements are available on request.

The full financial statements were approved on 19 July 2007



DF Blair, Chair



W M Renton, Vice Chair



R McDougall, Chief Executive

20 July 2006

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To request a copy please contact 0131 444 1200**

تتوفر هذه المعلومات بلغة برييل للعميان وعلى شريط سمعي وبخط كبير وبلغات الجاليات العرقية. لطلب نسخة
الرجاء الاتصال برقم الهاتف 0131-444 1200

यह जानकारी ब्रेल, टेप, बड़े अक्षरों और समुदायों की भाषाओं में उपलब्ध है। इस की नकल
(कापी) के निवेदन के लिए कृपया कर इस नंबर 0131-444 1200 पर फोन करें।

此資訊具備有盲人點字、錄音帶、大字體以及各種社區語言版本，如欲索取，
請致電 0131-444 1200

یہ معلومات بریل (ناہینا افراد کے لیے اُبھرے ہوئے حروف کی لکھائی) میں، ٹیپ پر، بڑے حروف کی لکھائی میں اور کمیونٹی کی زبانوں میں بھی دستیاب
ہے۔ انکی نقل حاصل کرنے کے لیے برائے مہربانی 0131-444 1200 پر رابطہ کریں۔

ਇਹ ਜਾਣਕਾਰੀ ਬ੍ਰੇਲ, ਟੇਪ, ਵੱਡੇ ਪਿੰਟ ਅਤੇ ਭਾਈਚਾਰੇ ਦੀਆਂ ਭਾਸ਼ਾਵਾਂ ਵਿਚ ਉਪਲਬਧ ਹੈ। ਇਸਦੀ
ਨਕਲ (ਕਾਪੀ) ਦੀ ਬਿਨਤੀ ਵਾਸਤੇ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 0131-444 1200 ਤੇ ਸੰਪਰਕ ਕਰੋ।

এই তথ্যগুলি ব্রেইল, টেপ, বড় হরফ ও অন্যান্য ভাষায় পাওয়া যাবে। কপির জন্য অনুরোধ করতে হলে
দয়া করে 0131-444 1200 নম্বরে যোগাযোগ করবেন।



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