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# Housing Executive

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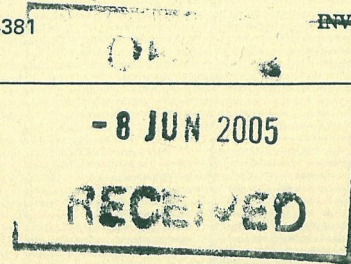
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Director of Corporate Services/  
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S. Cuddy B.A. (Hons), C.P.F.A.



INVESTOR IN PEOPLE

Kevin Shiels  
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6<sup>th</sup> June 2005

Dear Kevin

## Acquisition of East Surrey Holdings PLC by Keller Acquisitions Ltd

I refer to the above consultation document issued by NIAER in May 2005. In relation to the request for information and opinions outlined on page 20, I would comment as follows:

- The Housing Executive believes that the proposed regulatory agreement with Phoenix, when taken as a whole, should be reconsidered in light of recent developments.
- The Housing Executive believes that the proposals outlined under the heading 'Review of the License Conditions' are worthy of consideration to ensure that the Phoenix business is safeguarded and compliance with license conditions ensured. It is difficult to assess if they are sufficient in themselves to provide the required safeguards.
- The Housing Executive also believes that there should be open book accounting with periodic reviews of financial outturns to determine levels of return on investment achieved.

I trust that you find the above comments helpful.

Yours sincerely

S Cuddy  
Director of Corporate Services/Deputy Chief Executive