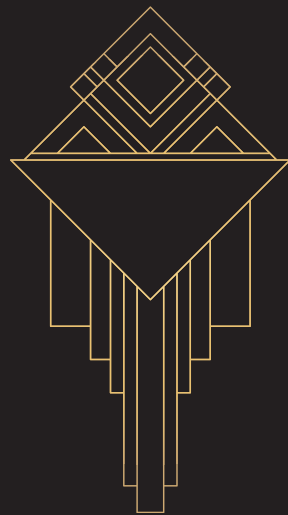


“I long,
as does every
human being, to be
at home wherever
I find myself.”



The last 3 years have been a challenging period for the Association and I am pleased to confirm that we have been able to meet the challenges and changes.

meeting challenges

Contents

Chairman's Report
Board of Management/Staff
Director's Report
Income and Expenditure Account
Balance Sheet
Management Report
Contact Details:
Auditors, Bankers, Solicitors &
Registered Office

Chairman's report



The Minister for Social Development, Margaret Ritchie at the Association's New Offices



Mr G A Hatch

The last 3 years have been a challenging period for the Association and I am pleased to confirm that we have been able to meet the challenges and changes. There have been changes indeed in our Board Membership, with the resignation of Mr Ian Millar and the appointment of Mr Richard Redman.

During my term of office the Association has been able to add over 178 properties to our portfolio. These include developments in Newry, Keady, Castlecaulfield and Kinallen. It is a credit to our Director, Mr Sam Preston and his staff for this remarkable achievement. It is important to note that the Association has received nothing but praise from external stakeholders including Margaret Ritchie, Minister for Social Development and Brian Rowntree, Chairman of the Northern Ireland Housing Executive. Last year we had the official opening of our two new schemes in Newry; Barrack Close and Canal Street (15 Units); where most of you were able to inspect the properties and meet our tenants. It is heart-warming to hear our tenants commenting positively on both our properties and the high standard of service they received.

With the Assembly now up and running, it is important to raise our profile with all its members. I am pleased to advise that in 2007 we were able to welcome the Minister for Social Development,

Margaret Ritchie, to view our new development under construction in Thomas Street, view Carleton House and meet the tenants and also to meet the Board and Staff of South Ulster Housing Association. I am sure that Members who were present will agree with me that it was an excellent opportunity to raise our profile.

With the increasing emphasis on Corporate Governance I am pleased to advise our Members that we are fully prepared. Training has been provided to Members on Corporate Governance and Risk Management at our away day training in 2006 at the Killyhevlin Hotel. Indeed in 2007, the DSD performed an audit of the Association and the initial notification is positive. Our Association has retained the quality mark, Clients Charter and is currently progressing to obtain 'Investors in People'.

The Way Forward

Our Association as I am sure most of you are aware, has noticed the changes, in particular, over the last 3-4 years. Further emphasis will be placed on delivering more for less. We have seen a reduction in the grant rate from the DSD, with the indication that there will be further reductions. To ensure that we are able to cope with this reduction, our

Association has restructured its financial borrowings, obtaining a facility to borrow £18.5 million from Barclays Bank. The saving our Association will obtain will ensure that we are able to finance our healthy development programme.

As part of the DSD's Procurement Strategy (Associations must belong to one of four procurement groups), our Association has held preliminary discussions with several associations including Clanmill, Oaklee and SHAC, to form 'Premier' Procurement Group. Information on where this strategy takes the Association is at an early stage and Members will be kept informed.

Finally, our Association is expanding and that is official. Phase 1 of our new offices has recently been completed, with the staff moving to the new building. Phase 2 is now commenced, with an anticipated completion in September 2008. With the completion of this building, new IT Hardware and Software and recruitment of new staff, the Association will be able to expand and move forward.

In conclusion, I would like once again to thank all our Members and staff for their support and commitment, and I wish every success to our new Chairman, who will be responsible for leading our Association through the challenges and changes that await us.

board of management



*CHAIRMAN
Mr G A Hatch*



*VICE-CHAIRMAN
Mr S S C Wilson
Staff & Finance
Committees*



*HON SECRETARY
Mr A Whitten
Development &
Finance Committees*



*HON TREASURER
Mr N McAlister
Staff & Finance
Committees*



*Mr G A Locke
Development &
Corporate Governance
Committees*



*Mrs M Simpson
Staff & Corporate
Governance Committees*



*Mr B Cassells
Finance Committee*



*Mr J Haslem
Staff, Development and
Corporate Governance
Committees*



*Mr C Warren
Staff & Corporate
Governance Committees*



*Mr D Johnston
Development &
Finance Committees*



*Mrs A Kennedy
Staff, Development & Corporate
Governance Committees*



*Mr J Hunter
Development &
Corporate Governance
Committees*



*Mr S Doyle
Staff & Corporate
Governance Committee*



*Mr R Redman
Development Committee*

Director's report



Mr S Preston

What a difference a year makes!

Who could have foretold the extent and effect of the 'Credit Crunch'; particularly the effect it would have within the housing market; where prices had been spiralling to new heights every month or indeed in some cases, everyday.

One reporter stated that "Your home is rising by £5.00 every hour" and on reflection that was true in some instances.

Many people, including myself, predicted it could not continue and in the final quarter of 2007 it was clear that house prices were on the way down. It was not therefore possible for developers and speculators to continue making the profits which fuelled the increase in prices in the first instance nor was it possible to buy a site, obtain planning approval and at least double, or in some cases, treble the value of the land.

Up until this stage it was practically impossible to purchase "Off the Shelf" dwellings at a price which would enable a rent setting close to the recommended benchmark.

The saying "It's an ill wind which blows and does not benefit someone" is very true and in this instance we have been able to purchase very acceptable dwellings at a reasonable price due

to the fact that in many instances the only purchaser interested in buying the property was the Association.

We were able to acquire 84 dwellings in 3 council areas.

Craigavon	49
Dungannon	12
Newry and Mourne	23

Depending on the need we would envisage that we will acquire at least another 40 – 50 dwellings in 2008/2009 by the "Off the Shelf" method of procurement.

All the contractors/developers were more than willing to finish the dwellings as close as possible to our own standards. Quite a number of the total acquired meet with the Level Access requirement, Secured by Design and Green Spaces. Floor areas in some instances are far more generous than those we normally apply and this is obviously of great benefit to the tenants who are very pleased with their new homes.

In one particular area in Lurgan we did have plans for a scheme to provide in the region of 20 additional dwellings. Due to difficulties with land acquisition and planning issues it would easily have taken 3 – 4 years to have the dwellings completed. The residents group were very

pleased when we were able to announce that we will have 20 very suitable dwellings available for allocation in February 2008.

Following the acquisition of the 84 dwellings I have concluded that the "Off the Shelf" purchase method of procurement is the most efficient way to provide good quality social housing in a short space of time. This is provided that suitable dwellings are available in the areas where the need is greatest.



"Off the Shelf" Properties -
Gilpins Mews Lurgan



Newmills Dungannon also purchased
"Off the Shelf"

Traditional Development Schemes



Special Needs Scheme at
Thomas Street Portadown

Canal Street/New Street & Sinclair Street, Newry Phase III – 29 dwellings. This is the Association's third phase of redevelopment in the Canal Street area, which will, on completion provide a total of 44 dwellings. The Association is pleased to be involved with the Canal Street Regeneration Programme and believe that, not only are we providing social housing, but are also improving one of the major arterial routes into Newry.

Included in the 29 dwellings, is a listed building containing 6 apartments, which will be joint managed with NIAMH on completion. It is anticipated that the Association will be able to achieve a 'Good Rating' in the Eco Homes standard. This has been achievable through the majority of the scheme being timber frame construction, solar panels and gas central heating.

Work is on site and progressing very well, with a completion date early in 2009.

Special Needs Scheme Thomas Street Portadown

At last, the Association was able to move forward in this project to provide 15 units of accommodation for people with special needs. Due to various reasons, beyond the control of the Association, this scheme had been delayed for several years. However, with work progressing well, it is envisaged that completion will be early 2009.

PSNI Site Dungannon Street, Moy / Hillside, Gilford & Beechgrove, Dromore – 7 dwellings.

It was a tight squeeze to fit these five dwellings into the site at Dungannon Street, Moy but despite the constraints,

the scheme makes very good use of the derelict site. These dwellings have also been built to very high Eco Homes standards, including solar panels which are proving to be very effective.

Ballygowan Road, Banbridge; Phase 3 – 15 dwellings Meadowbrook, Craigavon – 6 dwellings Levin Road, Lurgan – 4 dwellings

We finally received the necessary approvals from the Planning Service, Building Control and the N.I.H.E Development Programme Group. We had envisaged that we could negotiate the costs based on existing contract prices for a scheme which is on site.

However this was not possible due to the European Rules on the maximum cost of negotiated contracts. Work on site is expected to commence in August 2008 following the receipt of tenders obtained by the traditional method of procurement.

Every day life is much more pleasant for the families who were able to move into the special needs dwellings at Beechgrove, Dromore and Hillside, Gilford and the assistive technology makes tasks which were very difficult so much easier for the wheelchair users. The lives of all those concerned including the carers have been greatly enhanced.

Both the tenants and their families have expressed their thanks for the new dwellings.

Rectory Road / Charles Street, Lurgan.

The difference of opinion between the NIHE and the local council has still not been resolved and in the meantime



Minister Lends a
'Helping Hand'

applicants who need the special needs dwellings are forced to live in accommodation which does not meet their urgent needs.

Rehabilitation Scheme – Portadown, 20 dwellings, General Area Phase II

Good progress was made during the year and we are now in receipt of all the building control and planning approvals. The introduction of gas into the Portadown area will ensure that there is more usable space in the rear yards and also assist with our endeavours to obtain a very good Eco Homes rating or Level 3 in the Code of Sustainability. It is envisaged that work on site will start in the last quarter of 2008.

Ennis Green, Lurgan

Due to the fact that we have a very good reputation for producing special needs dwellings, we have been appointed to provide additional dwellings to meet the needs of 3 families with members who have serious forms of disability. The NIHE have also confirmed that an additional 5 units of general needs dwellings will be included in the scheme to ensure better value for money can be obtained.

Moor Road, Kilkeel – Purchase Deal Scheme, 12 dwellings.

Good progress has been made on this scheme throughout the year. House type plans, site layouts and specification have been agreed with the developer and his architect. Planning approval is expected within the next 2-3 months. The NIHE Area Planner has confirmed the need for the scheme and hopefully work on site will commence in the first quarter of 2009.

Traditional Development Schemes cont'd.



Drumintee Road, Meigh, Newry – 25 dwellings.

The developer has agreed that he will construct the required number of social rented dwellings in this scheme when the NIHE have completed a review of their waiting list in the autumn of 2008.

PSNI Site, Gilford – 14 dwellings.

This site is situated in an ideal location but unfortunately it is land locked with the exception of a single width vehicle access at the front. Investigations have revealed that the problem can be overcome by acquiring an adjoining property and bringing an NIHE Service Road up to adoption standards. The owner of the adjoining property has agreed a purchase price and therefore our consultants will soon be in a position to submit a planning application.

Curran Street, Portadown – 39 dwellings.

This scheme was first planned by the Association in 1997 but due to the complex nature of the land ownership and the downturn in the need for social rented dwellings in Portadown we were unable to proceed. Following recent meetings with the local DSD Regional Development Officer and the NIHE Area Planner the site will be vested and used primarily for housing purposes. We have agreed to provide up to date feasibility plans based on a detailed site survey.

This scheme will not only provide additional units of housing close to the town centre but also deal with the most unsightly derelict area in Portadown. Due to the vesting process it will be a considerable period of time before work on site commences.

Future Schemes

Burren Road, Warrenpoint

We will be able to provide 60 dwellings on this site by means of a package deal scheme. Negotiations are at a very early stage.

Skeagh Road, Kinallen

We have been offered a very suitable site which could accommodate approximately 14 dwellings. Our consultants have prepared feasibility plans and we envisage that an application for Planning Approval will be submitted very shortly.

Cash Road, Ballywakey, Dungannon

The NIHE have confirmed that a maximum of six dwellings are required at this site and it is highly likely that we will be able to provide these by way of an "Off the Shelf" purchase scheme.

Princess Close/Princes Street, Lurgan – 9 dwellings

It took a long time to acquire the site but finally during 2007/2008 we have been able to reach agreement with the owners and the scheme is at an advanced stage.

Peggys Loanin, Banbridge

The site at the back will accommodate up to 160 dwellings and if we can put a suitable package together, the scheme will meet the need in the Banbridge area for some time to come.

Fire and Rescue site, Hill Street, Lurgan

We have had our eyes on this site for many years and are now in the process of acquiring it for future use. The queries raised by the Planners have recently been resolved. It may be some time before

work on site commences due to the fact that we will be able to acquire suitable dwellings on an adjacent site by means of a package deal scheme.

Beechgrove, Dromore Phase II

Now that Planning Approval has been received, we would envisage that work on this scheme will commence sooner rather than later and not only provide additional units of housing in the Dromore area but also make good use of an area of land which has been used by young people for anti-social behaviour purposes.

I have no doubt that we will be able to promote schemes in other areas when the situation arises during the incoming year.



Board Members and Staff Inspect Kinallen Phase II

Maintenance & Disabled Adaptions



Maintenance

Despite the fact that we have not yet appointed a suitable person to deal with the increased work load to promote a higher maintenance service, we have been able to deal with all the tenants requests within the agreed time schedule. It is one of our priorities to reorganise the set up of a maintenance system which is acceptable to the DSD auditors this incoming year.

Category	Target Response Time	Number of Repairs	Completed on Time	Percentage
Emergency	24 Hours	59	59	100%
Urgent	3 Days	1834	1802	99%
Routine	28 Days	591	556	98%

Disabled Adaptions

A steady request for various forms of disabled adaptions was received during the year and dealt with in a very sympathetic way by both our staff and the contractor. To many tenants the provision of even one handrail makes their daily life much more pleasant and safe. Other tenants have been provided with up to date shower facilities and in some cases a stair lift.

Type of Adaptions	Number of Adaptions
Showers	5
Grab Rails	14
Stair Lift	1
Miscellaneous	7
Total Expenditure	£17,624.88

Despite all the upheaval due to moving into the new office extension, the staff have coped very well and the level of service still remained at a high and acceptable level.

Needless to say the Association could not continue to function and meet all the legislative requirements were it not for the support and interest shown by the Board Members who have once again played a vital role in all aspects of the Association's work.



Chairman, Mr G A Hatch, Assistant Director, Mr M Turner and NIHE Area Manager, Mr E McKeown pictured with Tenants Mr & Mrs M McNeill & son Stuart outside Special Needs Bungalow at Hillside Gilford

mm

anagement report

As 2007/08 draws to an end, I am pleased to confirm that this year has been another successful year. (We have not only been able to increase our housing stock, but we have been able to reduce our voids loss).

Our Association is committed to the ethos of efficiency and is pleased to announce the restructuring of our financial borrowings with Barclays Bank. This facility will allow us to borrow up to £18.5 million which will ensure the economic viability of the Association for years to come.

As reported last year, the Association was audited by the D.S.D, in accordance with the Regulatory Framework. I am pleased to confirm that the Association was successful in this audit and will continue to meet the high standards of the Regulatory Framework.

Finally, I would like to thank all our staff for their hard work and commitment throughout the year. This has allowed us to meet our strategic objectives.

Arrears Management

Once again I am pleased to confirm that the Association was able to meet its key objective of ensuring both current and past tenant arrears are below a target of £40,000 total.

Current arrears for year ending 2007/08 were £17,645.16 a slight increase from year ending 2006/07 of £17,404.61.

Past tenant arrears for year ending 2007/08 were £17,542 up slightly from year ending 2006/07 of £17,082.57.

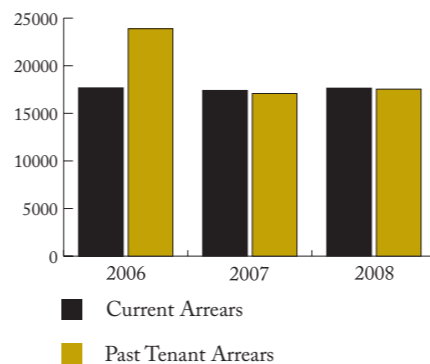
Despite these very slight increases, it is a remarkable achievement in this financial climate and with both the increase level and turnover of stock.

One area of major achievement has been the continual reduction in voids loss over the last 3 years. Voids loss in the period 2007/08 was £8113.48 compared to £10,329.76 at year end 2007/08.

Arrears management is one of the major key performance indicators. South Ulster Housing Association is committed to ensuring that staff are both professionally trained and committed to ensuring that they are able to meet the challenges.



Mark Turner



Year End	Current Arrears	Past Tenant Arrears
2006	£17,673.80	£23,887.46
2007	£17,404.61	£17,082.57
2008	£17,645.16	£17,542.00

“Once again I am pleased to confirm that the Association was able to meet its key objective”



New offices, Carleton Street, Portadown

Equality and Disability

The Association is determined in its duty towards Equality. We currently have an Equality scheme and are working to the timetable agreed by the Equality Commission in carrying out Equality Impact Assessments. Also I am pleased to confirm that during 2007/08 the Association issued its Disability Action Plan. I would like to take this opportunity to thank N.I.F.H.A. for their assistance in providing support in achieving this.

Allocations

For the period 2007/2008 there were 47 new properties to be allocated compared to 19 in 2006/2007, with a total of 97 new lettings. I am pleased to confirm that due to tight management control, the length of time that a property remained void continued to decline. The average number of days that property remained void was 10 days (or 1.4 weeks), which shows an improvement of 5 days compared to the previous year. Once again I would like to thank all staff involved in achieving this remarkable target. I would like to remind everyone that voids control is one of our major key performance indicators.

Training

South Ulster is committed to investing in its staff and Board Members, ensuring that they are able to deal with all the challenges and changes facing the Association. During the period 2007/08, Board Members on their Away Day conference, received training on Recruitment and Selection which will enable members to be involved in the recruitment of new staff. Examples of other training for staff include training on Anti-Social behaviour, Introduction to Social Housing (for new staff), Asset Management and Disability Action

Plans. Seminars attended by both Board Members and staff included the C.I.H. Conference and the annual N.I.F.H.A. conference in Armagh.

At this point I would like to congratulate Nicola Williamson on the successful completion of her Post Graduate Course in Housing studies. This commitment to ensuring our staff receive professional qualifications is evidence of our willingness to invest in our staff. As part of our Business Plan, the Association is committed to achieving the Quality Mark ‘Investors in People’ in 2008. The total spend by South Ulster Housing Association for 2007/08 was £6,682 which includes costings for all seminars, conferences and academic studies.

Voids Management

As the Association moves forward into 2008/2009 voids control remains one of the Associations key performance indicators. Long term voids remain the same as 2006/07, with 13 units of accommodation in Westacres remaining void. This scheme is currently undergoing an option appraisal process and a decision to be made in 2008/09. Consultation with the local residents group and the N.I.H.E is ongoing.

Lettable Voids

I am pleased to confirm, at the end of 2007/08 there was 1 property, with an offer pending. Voids loss for the year 2007/08 was £8113.48, compared to £10,329.76 in 2006/07. Once again, well done to the staff for their hard work and commitment.

New Offices

As a sign of the expansion of our Association, I am pleased to confirm the completion of our new offices, providing the staff with a much more pleasant and

spacious working environment. This has been several years in the Planning and will certainly aid the Association in moving forward. Staff were able to move into the new offices early in 2008 with the existing offices vacated to allow renovation. It is anticipated that the contract will be completed in September 2008. As part of the new offices both new IT hardware and software was purchased, which will enable the Association to operate efficiently in the housing market. The new offices will allow the Association to provide better access for people with disabilities and will also provide new interview rooms, which will be available for people with disabilities and families with prams etc.

Complaints

The Association received 5 complaints in the period year ended March 2008. Four of these complaints were in relation to anti social behaviour and one regarding dog fouling. The Association, through its 4 stage complaints policy, was able to resolve all the complaints.



Nicola Williamson



Income & expenditure account

year ended 31 March 2008

	2008	2007
	£	£
TURNOVER	1,921,242	1,806,328
Operating costs	(1,067,972)	(1,064,522)
OPERATING SURPLUS	853,270	741,806
Interest receivable	3,800	2,518
Return on pension assets	2,000	-
Interest payable	(268,113)	(226,734)
Other finance costs	-	(1,000)
SURPLUS ON ORDINARY ACTIVITIES BEFORE HOUSE SALES	590,957	516,590
Surplus on house disposals	266,477	1,139,623
SURPLUS ON ORDINARY ACTIVITIES AFTER HOUSE SALES	857,434	1,656,213
Transfer to tenants' services fund	(9,290)	(9,526)
Transfer to disposal proceeds fund	(329,932)	(1,149,141)
SURPLUS FOR THE YEAR	518,212	497,546
TRANSFER TO DESIGNATED RESERVES	(146,612)	(100,248)
	371,600	397,298

All the Association's activities are classified as continuing.

STATEMENT OF TOTAL GAINS & LOSSES YEAR ENDED 31 MARCH 2008

Surplus reported	371,600	397,298
Actuarial gain on pension scheme	38,000	72,000
TOTAL GAINS FOR YEAR	409,600	469,298

Balance Sheet year ended 31 March 2008

	2008	2007
	£	£
FIXED ASSETS		
Housing land and buildings:		
Cost	35,691,494	29,983,053
Less: Housing Association grants	(22,080,275)	(17,706,754)
Depreciation	(855,939)	(733,942)
	12,755,280	11,542,357
Other fixed assets	628,047	277,046
	13,383,327	11,819,403
CURRENT ASSETS		
Debtors	1,056,599	178,821
Cash and bank balances	158,787	73,441
	1,215,386	252,262
CURRENT LIABILITIES		
Creditors: amounts falling due within one year	2,483,308	476,366
NET CURRENT LIABILITIES	(1,267,922)	(224,104)
TOTAL ASSETS LESS CURRENT LIABILITIES	12,115,405	11,595,299
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	5,061,657	5,070,763
Pension liability	166,000	193,000
	5,227,657	5,263,763
FINANCED BY:		
Share capital	22	22
Capital reserves	58	58
Revenue reserves	3,682,982	3,273,382
Designated reserves	3,204,686	3,058,074
	6,887,748	6,331,536
	12,115,405	11,595,299



& moving forward

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BELFAST
BT1 2LB

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45-48 High Street
PORTADOWN
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Barclays Commercial Bank
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