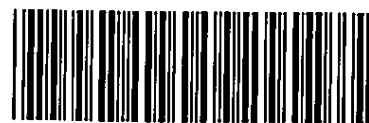


SAFE HOME INCOME PLANS
(Limited By Guarantee)
Report of the Directors and
Audited Financial Statements
for the Year Ended 31 December 2006

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SAFE HOME INCOME PLANS

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SAFE HOME INCOME PLANS

Company Information

DIRECTORS:

L M Edmans CBE Chairman
J P King
G C W Marshall
C Taylor
J S Milton
J R B Wright
K Haggart
P Lucas
P Q P Couch
S Little
S Kyle
G Howard
R C McCormack
R Wright
M J Philps
R Hillier
R C Johnson
S J Groves
C R Rumsey
J D Almond
B Magill
W Mowatt

SECRETARY.

I M McNeill

REGISTERED OFFICE:

1 Carr Road
Nelson
Lancs
BB9 7JU

REGISTERED NUMBER:

2884568

AUDITORS.

Hargreaves, Brown & Benson
1 Bond Street
Colne
Lancashire
BB8 9DG

SAFE HOME INCOME PLANS

Report of the Directors for the Year Ended 31 December 2006

The directors present their report with the financial statements of the company for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The principal activity of the company is to act as a non-profit making trade association and to promote good practice and plan-holder protection in respect of home income financial products

DIRECTORS

The directors during the year under review were

L M Edmans, CBE	Chairman	- appointed 1 07 06
J P King		
M Goodale		- resigned 21 3 06
G C W Marshall		
C Taylor		
D J Grant		- resigned 31 3 06
J S Milton		
J R B Wright		
K Haggart		
A G Boddie		
T M Dawson		- resigned 31 3 06
P Lucas		
M P Kelly		- resigned 27 1 06
P Q P Couch		
S Little		
S Kyle		
A D Mooney		- resigned 20 2 06
G Howard		
R C McCormack		
D R Carter		- appointed 27 1 06 & resigned 22 12 06
R Wright		- appointed 20 2 06
M J Philps		- appointed 21 3 06
R Hillier		- appointed 31 3 06
R C Johnson		- appointed 31 3 06
S J Groves		- appointed 10 4 06
C R Rumsey		- appointed 20 6 06
J D Almond		- appointed 13 11 06

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

SAFE HOME INCOME PLANS

Report of the Directors for the Year Ended 31 December 2006

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

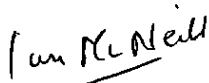
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Hargreaves, Brown & Benson, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD:



Ian M McNeill - Secretary

Date 5 June 2007

**Report of the Independent Auditors to the Members of
SAFE HOME INCOME PLANS**

We have audited the financial statements of SAFE HOME INCOME PLANS for the year ended 31 December 2006 on pages five to eight. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors 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 the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.



Hargreaves, Brown & Benson
Chartered Accountants and Registered Auditors
1 Bond Street
Colne
Lancashire
BB8 9DG

Date 5 June 2007

SAFE HOME INCOME PLANS

Income & Expenditure Account for the Year Ended 31 December 2006

	Notes	2006		2005	
		£	£	£	£
TURNOVER			149,263		116,710
Administrative expenses			<u>(122,550)</u>		<u>(112,450)</u>
OPERATING PROFIT	2		26,713		4,260
Interest receivable and similar income			<u>4,147</u>		<u>2,309</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			30,860		6,569
Tax on profit on ordinary activities	3		<u>(594)</u>		<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			30,266		6,569
Retained profit brought forward			<u>63,723</u>		<u>57,154</u>
RETAINED PROFIT CARRIED FORWARD			<u><u>£93,989</u></u>		<u><u>£63,723</u></u>

The notes form part of these financial statements

SAFE HOME INCOME PLANS

Balance Sheet 31 December 2006

		<u>2006</u>	<u>2005</u>
	Notes	£	£
CURRENT ASSETS:			
Debtors	4	1,612	577
Cash at bank		<u>116,057</u>	<u>84,895</u>
		117,669	85,472
CREDITORS Amounts falling due within one year	5	<u>(23,680)</u>	<u>(21,749)</u>
NET CURRENT ASSETS		<u>93,989</u>	<u>63,723</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£93,989</u>	<u>£63,723</u>
RESERVES			
Profit and loss account		<u>93,989</u>	<u>63,723</u>
		<u>£93,989</u>	<u>£63,723</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Directors on 5 June 2007 and were signed on its behalf by



Laurence M Edmans CBE - Chairman

SAFE HOME INCOME PLANS

Notes to the Financial Statements for the Year Ended 31 December 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover, which is derived entirely from members, represents subscriptions, application fees and reimbursed expenses. Application fees are non-refundable.

Subscriptions are recognised in relation to the accounting period to which they relate. Any balances being treated as either accrued or deferred income.

Application fees are recognised when payable, being the date when an application to join is accepted.

Reimbursed expenses are recognised when the costs to be reimbursed are incurred.

Taxation

The Company, which is a trade association and cannot distribute surpluses to members, is not liable to corporation tax on its operating surplus.

A corporation tax liability may arise on investment income which the Company may receive.

2 OPERATING PROFIT

The operating profit is stated after charging

	2006 £	2005 £
Auditors' remuneration	<u>1,351</u>	<u>1,175</u>
Directors' emoluments and other benefits etc	<u>15,500</u>	<u>7,000</u>

3 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2006 £	2005 £
Current tax		
UK corporation tax	<u>594</u>	<u>-</u>
Tax on profit on ordinary activities	<u>594</u>	<u>-</u>

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	-	250
Social security	726	-
Accrued income	543	327
Prepayments	<u>343</u>	<u>-</u>
	<u>1,612</u>	<u>577</u>

SAFE HOME INCOME PLANS

Notes to the Financial Statements for the Year Ended 31 December 2006

5 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade creditors	13,804	20,133
Taxation	594	-
Accrued expenses	<u>9,282</u>	<u>1,616</u>
	<u>23,680</u>	<u>21,749</u>

6 RELATED PARTY DISCLOSURES

The Company operates a call centre which is managed by a member, Key Retirement Solutions Ltd whose representative director is Colin Taylor, and for which a charge of £42,300 (2005 £44,542) was made for the year, on a normal commercial basis

Consultancy services, costing £8,107, were provided by a company of which the chairman is a director. The charge was made on a normal commercial basis.

7 COMPANY STATUS

The company is limited by guarantee and does not have a share capital.

The liability of each member, of which there were 21 at 31 December 2006, is limited to £1.

In the event of a liquidation any surplus shall be transferred to a charitable institution having the same objects.