

BRITISH MENSA LIMITED

FINANCIAL STATEMENTS
for the year ended 31st December 1997

Company Number 971663

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REPORT OF THE DIRECTORS for the year ended 31st December 1997

Directors' Responsibilities

Company law requires us as 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, we 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

Directors

The following Directors held office during the year:

Sir C. M. Sinclair	(Resigned 18 October 1997)
N. R. Goulder	
D. Lally	(Resigned 23 February 1997)
S. Sutton	
J. Baxter	
N. Burger	
P. Boswell	
C. Frost	(Resigned 23 March 1997)
M. Carley	
K. Nicol	(Appointed 18 October 1997)
H. Abdullah	(Appointed 18 October 1997)
B. Ford	(Appointed 18 October 1997)

Company Secretary

N. Tinsley A.C.I.S.

Registered Office

Mensa House,
St. John Square,
Wolverhampton WV2 4AH.

Principal Activities

The principal activities of the Company are to promote facilities for and support social contact among members; the free association of persons of intelligence; and to conduct, provide facilities for and support research into psychology, the social sciences and other matters of public interest and importance.

REPORT OF THE DIRECTORS for the year ended 31st December 1997 – continued

Auditors

The auditors, Vlieland – Boddy & Co, have indicated their willingness to accept re-appointment under Section 384(1) of the Companies Act 1985.

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the directors the company is entitled to these exemptions as a small company.



N. Burger
2nd May 1998

By order of the Board

AUDITORS' REPORT TO MEMBERS OF BRITISH MENSA LIMITED

We have audited the financial statements on pages 8 to 13 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 24.

Respective responsibilities of directors and auditors

As described on page 19 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs at 31st December 1997 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.


Vlieland - Boddy & Co.,
Registered Auditors,
Chartered Accountants,
The Granary,
Home End,
Fulbourn,
Cambs CB1 5BS

2nd May 1998

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December 1997

	Note	1997 £	1996 £
TURNOVER	2	1,197,421	1,289,430
Cost of products		<u>(11,822)</u>	<u>(7,876)</u>
GROSS RESULTS		1,185,599	1,281,554
Net operating expenses		<u>1,210,153</u>	<u>1,288,518</u>
OPERATING RESULTS	3	(24,554)	(6,964)
Loss on ordinary activities before interest		<u>(24,554)</u>	<u>(6,964)</u>
Interest payable and similar charges		<u>5,340</u>	<u>7,821</u>
RESULTS ON ORDINARY ACTIVITIES BEFORE TAX		<u>(29,894)</u>	<u>(14,785)</u>
RESULTS ON ORDINARY ACTIVITIES AFTER TAX		<u>(29,894)</u>	<u>(14,785)</u>
RESULTS FOR THE FINANCIAL YEAR		<u>(29,894)</u>	<u>(14,785)</u>
RETAINED RESULTS FOR THE FINANCIAL YEAR		<u>(29,894)</u>	<u>(14,785)</u>
Retained results brought forward		<u>75,403</u>	<u>90,188</u>
RETAINED RESULTS CARRIED FORWARD		<u>45,509</u>	<u>75,403</u>

The only recognised result for the year was the result for the financial year of £29,894 (1996 – £14,785).

BALANCE SHEET

as at 31st December 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		290,851		312,726
Investments	5		<u>102</u>		<u>102</u>
			290,953		312,828
CURRENT ASSETS					
Stocks	6	11,819		12,107	
Debtors	7	55,574		64,063	
Cash at bank and in hand		<u>3,287</u>		<u>33,173</u>	
		70,680		109,343	
CREDITORS					
Amounts falling due within one year	8	<u>208,021</u>		<u>231,782</u>	
NET CURRENT LIABILITIES			<u>(137,341)</u>		<u>(122,439)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			153,612		190,389
CREDITORS: Amounts falling due after more than one year					
	9		<u>44,350</u>		<u>51,233</u>
NET ASSETS			<u>109,262</u>		<u>139,156</u>
CAPITAL AND RESERVES					
Revaluation reserve	11		63,753		63,753
Accumulated Fund			<u>45,509</u>		<u>75,403</u>
			<u>109,262</u>		<u>139,156</u>

These accounts have been prepared taking advantage of the special exemptions applicable to small companies on the grounds that in the opinion of the Directors the Company is entitled to these exemptions as a small company.

These accounts were approved by the Board of Directors on 2nd May 1998.

On behalf of the board,

N. Burger, Director



The annexed notes form part of these accounts.

NOTES TO THE ACCOUNTS for the year ended 31st December 1997

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and have also been consistently applied within the same accounts.

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets).

The effect of events relating to the year ended 31st December 1997 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at and of the results for the year ended on that date.

(b) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold land and buildings – 2.5% of cost or valuation
Fixtures and fittings – 20% per annum of cost

(c) Stocks

Stocks have been valued at the lower of first in, first out cost and net realisable value on an item by item basis.

2. Turnover

Turnover represents the total amount receivable by the Company in the ordinary course of business, for goods supplied and services provided, less returns and excluding value added tax and components collected with members' subscriptions and accounted for to Mensa International Limited at the rate prevailing at the time.

3. Operating Results

This is stated after charging:

	1997	1998
	£	£
Auditors' remuneration and expenses	4,500	4,000
Depreciation and amortisation of owned assets	22,146	23,025

4. Tangible Fixed Assets

	Freehold Land and Buildings £	Fixtures and Fittings £	Total £
Cost:			
At 1st January 1997	315,785	136,428	452,213
Additions	—	271	271
At 31st December 1997	<u>315,785</u>	<u>136,699</u>	<u>452,484</u>
Depreciation:			
At 1st January 1997	(35,829)	(103,658)	(139,487)
Charge for the year	<u>(7,894)</u>	<u>(14,252)</u>	<u>(22,146)</u>
At 31st December 1997	<u>(43,723)</u>	<u>(117,910)</u>	<u>(161,633)</u>
Net book value:			
At 31st December 1997	<u>272,062</u>	<u>18,789</u>	<u>290,851</u>
At 31st December 1996	<u>279,956</u>	<u>32,770</u>	<u>312,726</u>

The freehold property was revalued by the directors as at 31st December, 1990 at £180,000.

The historical cost was £116,247 with no accumulated depreciation.

5. Subsidiary Companies

	Unlisted £	Listed £	Total £
Cost or valuation at 1st January 1997	102	—	102
Additions	—	—	—
Disposals	—	—	—
Cost or valuation at 31st December 1997	<u>102</u>	<u>—</u>	<u>102</u>

These financial statements present information about the Company as an individual and not about its group. Group accounts are not required as the group qualifies as a small group.

The wholly owned subsidiaries of the Company at 31st December 1997 were as follows:

Mensa Limited (formerly Mensa Publications Limited)
Mensa Office Services Limited

Mensa Limited is registered in the United Kingdom.

The Share Capital issued is 100 Ordinary shares of £1 each.

The proportion held is 100%.

The aggregate of Capital and Reserves at 31st December 1997 is £14,105.

The result for the year was £6,591.

Investment at cost £100.

Post-acquisition share of retained profit and reserves £13,578.

Mensa Office Services Limited is registered in the United Kingdom.

The Share Capital issued is 2 Ordinary shares of £1 each.

The proportion held is 100%.

The aggregate of Capital and Reserves at 31st December 1997 is £2.

The result for the year was Nil.

Investment at cost £2.

Post-acquisition share of retained profit and reserves £2.

6. Stocks

	1997	1996
	£	£
Tests and Stationery	3,967	3,465
Products for Resale	7,852	8,642
	<u>11,819</u>	<u>12,107</u>

7. Debtors – All Receivable Within One Year

	1997	1996
	£	£
Trade debtors	17,235	11,997
Due from group companies	2,273	11,609
Prepayments	36,066	40,457
	<u>55,574</u>	<u>64,063</u>

8. Creditors – Amounts Falling Due Within One Year

	1997	1996
	£	£
Bank loan	6,000	6,000
International Mensa loan	–	17,500
Bank overdraft	22,529	60,693
Trade creditors	106,793	91,002
Due to group companies	1,950	815
VAT payable	34,397	10,231
Accruals	36,352	45,541
	<u>208,021</u>	<u>231,782</u>

The bank overdraft and loan are secured on the freehold property.

9. Creditors – Amounts Falling Due After More Than One Year

	1997	1996
	£	£
Bank loan 1–5 years	30,000	30,000
Bank loan 5–10 years	14,350	21,233
	<u>44,350</u>	<u>51,233</u>

10. Liability of Members

Each member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the Company contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £1. The number of members at 31st December 1997 was 36,078 (1996 – 37,294).

11. Revaluation Reserve

	1997	1996
	£	£
At 1st January 1997	<u>63,753</u>	<u>63,753</u>
At 31st December 1997	<u>63,753</u>	<u>63,753</u>

12. Reconciliation of Movement in Members' Funds

	1997 £	1996 £
Results for the financial year	(29,894)	(14,785)
Opening members' funds	<u>139,156</u>	<u>153,941</u>
Closing members' funds	<u>109,262</u>	<u>139,156</u>

13. Leasing Commitments

At 31st December 1997 the company had annual commitments under non-cancellable operating leases as detailed below:

	1997		1996	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	NIL	NIL	NIL	3,762
Within two to five years	NIL	12,688	NIL	7,160
After more than five years	<u>2,600</u>	<u>NIL</u>	<u>2,600</u>	<u>NIL</u>
	<u>2,600</u>	<u>12,688</u>	<u>2,600</u>	<u>10,922</u>