



BDO Stoy Hayward
Chartered Accountants

Companies House

British Mensa Limited

Report and Financial Statements

Year Ended

31 December 1998

97100



British Mensa Limited

Annual report and financial statements for the year ended 31 December 1998

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Directors

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Directors

P W Boswell
N Burger
D E Coates
M H Davies
C Docker
P J Hewitt
C J Leek
P J Napier

Secretary and registered office

I R Hadley, Mensa House, St. John Square, Wolverhampton WV2 4AH

Company number

971663

Auditors

BDO Stoy Hayward, Mander House, Wolverhampton, West Midlands WV1 3NF

British Mensa Limited

Report of the directors for the year ended 31 December 1998

The directors present their report together with the audited financial statements for the year ended 31 December 1998.

Results and dividends

The income and expenditure account is set out on page 4 and shows the surplus for the year.

The company is not allowed to distribute any of its profits to its members.

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.

Directors

The directors of the company during the year were:

P W Boswell	
N Burger	Resigned 26 September 1998; reappointed 26 September 1998
D E Coates	Appointed 13 December 1998
M H Davies	Appointed 13 December 1998
C Docker	Appointed 13 December 1998
P J Hewitt	Appointed 26 September 1998
C J Leek	Appointed 26 September 1998
P J Napier	Appointed 13 December 1998
S Sutton	
H M Abdullah	Resigned 15 June 1998
J Baxter	Resigned 26 September 1998
M Carley	Resigned 26 September 1998
A Farrell	Appointed 26 September 1998; resigned 23 November 1998
B J Ford	Resigned 11 January 1998
P F Ford	Appointed 26 September 1998; resigned 23 November 1998
S Fregnani	Appointed 26 September 1998; resigned 22 November 1998
N R Goulder	Resigned 11 January 1998
B Miskelly	Appointed 21 June 1998; resigned 26 September 1998
K R Nicol	Resigned 25 November 1998

S Sutton resigned from the board on 14 March 1999.

P W Boswell, N Burger, P J Hewitt and C J Leek retire by rotation at the Annual General Meeting. D E Coates, H M Davies, C Docker and P J Napier also retire at the Annual General Meeting having been co-opted to the board since the last Annual General Meeting.

British Mensa Limited

Report of the directors for the year ended 31 December 1998 (*Continued*)

Year 2000

The Directors have reviewed the impact of the Year 2000 issue on systems central to the company's ongoing activity and preparation of financial statements. Plans are in place to enhance systems as necessary before the impact of the Year 2000 creates significant material misstatements in the company's accounting records or adversely affects business operations.

Directors' responsibilities

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.

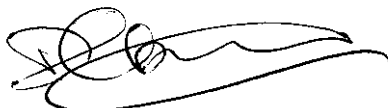
Auditors

Vlieland - Boddy & Co were not reappointed as auditors at the 1998 Annual General Meeting and BDO Stoy Hayward were appointed by the directors to fill the vacancy arising.

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

By order of the board



D E Coates

Director

31 July 1999

British Mensa Limited

Report of the auditors

To the shareholders of British Mensa Limited

We have audited the financial statements on pages 4 to 15 which have been prepared under the accounting policies set out on pages 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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.

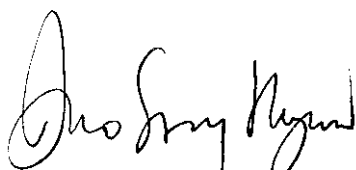
Basis of opinion

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 as at 31 December 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
Wolverhampton

10 August 1999

British Mensa Limited**Income and expenditure account for the year ended 31 December 1998**

	Note	1998 £	1997 £
Turnover	2	1,045,177	1,197,421
Cost of sales		-	(11,822)
Gross surplus		1,045,177	1,185,599
Administrative expenses		(958,253)	(1,210,152)
Operating surplus/(deficit)	4	86,924	(24,553)
Interest receivable	5	988	-
Interest payable and similar charges	6	(4,929)	(5,340)
Surplus/(deficit) on ordinary activities before and after taxation retained for the year		82,983	(29,893)
Retained surplus brought forward		45,510	75,403
Retained surplus carried forward		128,493	45,510

All amounts relate to continuing activities.

The notes on pages 7 to 15 form part of these financial statements.

British Mensa Limited**Statement of total recognised gains and losses and note of historical cost profits and losses for the year ended 31 December 1998****Statement of total recognised gains and losses**

	1998	1997
	£	£
Surplus/(deficit) for the financial year	82,983	(29,893)
Unrealised deficit on revaluation of properties	(34,168)	-
Total recognised gains and losses for the year	48,815	(29,893)

Note of historical cost profits and losses

	1998	1997
	£	£
Reported surplus/(deficit) on ordinary activities before taxation	82,983	(29,893)
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	1,594	1,594

Historical cost surplus/(deficit) on ordinary activities before taxation

84,577	(28,299)

Historical cost (deficit)/surplus for the year retained after taxation, interest and dividends

84,577	(28,299)

The notes on pages 7 to 15 form part of these financial statements.

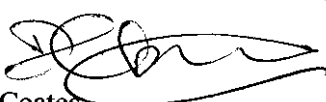
British Mensa Limited

Balance sheet at 31 December 1998

	Note	£	1998	£	£	1997	£
Fixed assets							
Tangible assets	7			286,840			290,853
Investments	8			102			102
				<u>286,942</u>			<u>290,955</u>
Current assets							
Stocks		8,290			11,819		
Debtors	9	69,742			58,780		
Cash at bank and in hand		68,887			82		
				<u>146,919</u>		<u>70,681</u>	
Creditors: amounts falling due within one year	10	242,195			208,023		
				<u>(95,276)</u>			<u>(137,342)</u>
Total assets less current liabilities				<u>191,666</u>			<u>153,613</u>
Creditors: amounts falling due after more than one year	11			33,588			44,350
				<u>158,078</u>			<u>109,263</u>
Net assets				<u>158,078</u>			<u>109,263</u>
Capital and reserves							
Revaluation reserve	13			29,585			63,753
Accumulated fund				128,493			45,510
				<u>158,078</u>			<u>109,263</u>
Shareholders' funds	14			<u>158,078</u>			<u>109,263</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.

The financial statements were approved by the Board on 31 July 1999


D E Coates

Director

The notes on pages 7 to 15 form part of these financial statements.

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 1998

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and building. The following accounting policies have been applied:

Group financial statements

The company is exempt from the requirement to prepare group financial statements by virtue of section 248 of the Companies Act 1985 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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.

Subscriptions are recognised in the income and expenditure account in full when the money is received.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Land and buildings	-	2.5% of cost or valuation
Fixtures and fittings	-	20% per annum on cost
Computer equipment	-	33% per annum on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

British Mensa Limited**Notes forming part of the financial statements for the year ended 31 December 1998 (Continued)****2 Turnover**

Turnover is wholly attributable to the principal activity of the company.

The percentage of turnover that is attributable to markets outside the United Kingdom is 5% (1997: 5%)

	1998 £	1997 £
Subscriptions:		
Standard rate	980,911	959,587
Reduced rate	16,539	24,455
Joint members	28,756	10,907
	1,026,206	994,949
VAT	(67,135)	(65,090)
International component	(60,655)	(55,791)
	898,416	874,068
Testing income	57,239	214,255
Products	-	16,389
Mensa Events	66,477	41,851
Advertising and puzzle sales	16,844	46,850
Sundries	6,201	4,008
	1,045,177	1,197,421

3 Directors

No director received any emoluments during this or the prior year.

4 Operating surplus/(deficit)

This is arrived at after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets	26,104	22,146
Auditors remuneration	5,500	4,500
Operating lease rentals	18,859	15,028

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 1998 *(Continued)*

5 Interest receivable

	1998	1997
	£	£
Bank interest receivable	988	-
	==	==

6 Interest payable and similar charges

	1998	1997
	£	£
Other interest	-	219
Bank interest	4,929	5,121
	==	==
	4,929	5,340
	==	==

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 1998 (*Continued*)

7 Tangible assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>			
At 31 December 1997	315,785	136,700	452,485
Additions	-	56,259	56,259
Revaluations	(34,168)	-	(34,168)
At 31 December 1998	281,617	192,959	474,576
<i>Depreciation</i>			
At 31 December 1997	43,722	117,910	161,632
Provided for the year	7,895	18,209	26,104
At 31 December 1998	51,617	136,119	187,736
<i>Net Book Value</i>			
At 31 December 1998			
At cost less depreciation	-	56,840	56,840
At valuation	230,000	-	230,000
	230,000	56,840	286,840
At 31 December 1997			
At cost less depreciation	219,467	18,790	238,257
At valuation	52,596	-	52,596
	272,063	18,790	290,853

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 1998 *(Continued)*

On the historical cost basis, land and buildings would have been included as follows:

	1998	1997
	£	£
Cost	252,032	252,032
Cumulative depreciation	38,866	32,565
Net book amount	213,166	219,467

The company's freehold land and buildings were revalued on 16 November 1998 by G C Skitt & Co, a firm of independent surveyors, valuers and estate agents, at open market value assuming full vacant possession.

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 1998 (*Continued*)

8 Fixed asset investments

<i>Cost and net book value</i>	Investments in subsidiaries £
At 31 December 1997 and 31 December 1998	102

The following were wholly owned subsidiary undertakings at the end of the year:

Name	Nature of business
Mensa Publications Limited (formerly Mensa Limited)	External trading arm of Mensa
Mensa Office Services Limited	Employs Mensa staff and pays salaries and related costs. Fully reimbursed by the appropriate Mensa company, so it makes no profit or loss.
Mensa Administration Limited	Collects direct debit subscription payments and passes income to British Mensa Limited. Does not trade and has no assets.
Mensa Psychometrics Limited	Dormant
Mensa Wolverhampton Limited (formerly Mensa Publications Limited)	Dormant

During its latest financial year Mensa Publications Limited made a loss after tax of £11,188 (1997: profit of £6,591) and at the end of that year the aggregate of its capital and reserves was £2,917 (1997: £14,105).

Since the year end Mensa Office Services Limited has ceased to trade and all staff are now employed directly by British Mensa Limited. The collection of subscriptions is now also carried out directly by British Mensa Limited. Following this reorganisation it is intended that Mensa Office Services Limited, Mensa Administration Limited, Mensa Psychometrics Limited and Mensa Wolverhampton Limited be struck off.

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 1998 (Continued)

9 Debtors

	1998	1997
	£	£
Trade debtors	7,590	17,236
Amounts due from group undertakings	50,164	2,273
Other debtors	11,988	39,271
	69,742	58,780

All amounts shown under debtors fall due for payment within one year.

10 Creditors: amounts falling due within one year

	1998	1997
	£	£
Bank loans and overdrafts	9,597	28,529
Trade creditors	99,808	106,793
Amounts owed to group undertakings	-	1,950
Taxation and social security	67,526	34,397
Other creditors	65,264	36,354
	242,195	208,023

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

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 1998 (Continued)

11 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Loans	33,588	44,350
Included within the above are amounts falling due as follows:		
In 1 - 2 years	9,597	6,000
In 2 - 5 years	23,991	18,000
In more than 5 years	-	20,350
	33,588	44,350

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

12 Liability of members

Each member of the company undertakes to contribute to the assets of the company on a winding up such amount as may be required not exceeding £1.

The number of members at 31 December 1998 was 33,354 (1997 36,078).

The company may not distribute its reserves to its members and, as a result, there are no equity interests in the company.

13 Reserves

	£
<i>Revaluation Reserve</i>	
At 31 December 1997	63,753
Deficit on revaluation of freehold property	(34,168)
At 31 December 1998	29,585

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 1998 (Continued)

14 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Surplus/(deficit) for the year	82,983	(29,893)
Other net recognised gains and losses during year	(34,168)	-
	<u>48,815</u>	<u>(29,893)</u>
Opening shareholders' funds	109,263	139,156
	<u>158,078</u>	<u>109,263</u>
Closing shareholders' funds	<u>158,078</u>	<u>109,263</u>

15 Commitments under operating leases

As at 31 December 1998 the company had annual commitments under non-cancellable operating leases as set out below:

	1998		1997	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	693	-	-
In two to five years	-	12,689	-	12,688
After five years	2,600	-	2,600	-
	<u>2,600</u>	<u>13,382</u>	<u>2,600</u>	<u>12,688</u>

16 Salaries and fees

	1998 £	1997 £
Senior management	19,899	44,000
Magazine editor	33,600	33,600
	<u>53,499</u>	<u>77,600</u>

The pages which follow do not
form part of the statutory
financial statements of the company

British Mensa Limited**Detailed income and expenditure account for the year ended 31 December 1998**

	Page	1998 £	1997 £
Turnover		1,045,177	1,197,421
Cost of products		-	11,822
Gross surplus		1,045,177	1,185,599
Less: Overheads			
Administration expenses	18	958,253	1,210,152
Operating surplus/(deficit)		86,924	(24,553)
Interest receivable		988	-
Interest payable	18	(4,929)	(5,340)
Surplus/(deficit) for the year		82,983	(29,893)