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British Mensa Limited

(Limited by Guarantee)

Report and Financial Statements

Year Ended

31 December 2002



BDO

BDO Stoy Hayward
Chartered Accountants

British Mensa Limited

Annual report and financial statements for the year ended 31 December 2002

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Directors

PW Boswell
DE Coates
CJ Leek
PF Ford
PJ Baimbridge
S Herbert
C O'Beara
G Hopkins
G Metcalf

Secretary and registered office

JL Stevenage, St. John's House, St. John's Square, Wolverhampton, West Midlands, 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 2002

The directors present their report together with the audited financial statements for the year ended 31 December 2002.

Results

The income and expenditure account is set out on page 5 and shows the surplus for the year.

Principal activities

The principal activities of British Mensa Limited (The High IQ Society) as detailed in its constitution are;

- To identify & foster human intelligence.
- To encourage research into intelligence.
- To provide a stimulating intellectual and social environment for its members.

The directors are satisfied with the result for the year.

Directors

The directors of the company during the year were:

PW Boswell	
DE Coates	
PJ Hewitt	(resigned 13 July 2002)
CJ Leek	
PF Ford	
PJ Baimbridge	
S Herbert	
C O'Beara	
G Hopkins	
G Metcalf	(appointed 13 July 2002)

No director had any beneficial interest in the share capital of the company nor in the shares of its subsidiary undertaking.

The directors who retire by rotation are DE Coates, S Herbert and P Baimbridge who are eligible for re-election.

British Mensa Limited

Report of the directors for the year ended 31 December 2002 (*Continued*)

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 surplus or deficit of the company for that year. 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; and
- 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

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 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

CJ Leek



Chairman

11 May 2003

British Mensa Limited

Report of the independent auditors

To the members of British Mensa Limited

We have audited the financial statements of British Mensa Limited for the year ended 31 December 2002 on pages 5 to 16 which have been prepared under the accounting policies set out on pages 7 to 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Directors' Report 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

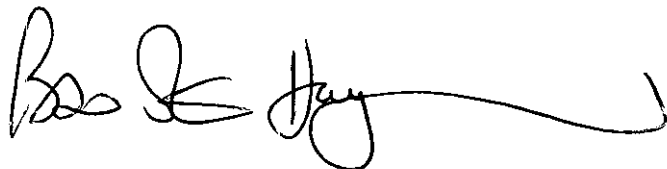
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

British Mensa Limited

Report of the independent auditors (*Continued*)

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 2002 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

30 June 2003

British Mensa Limited**Income and expenditure account for the year ended 31 December 2002**

	Note	2002 £	2001 £
Turnover	2	968,872	951,859
Administrative expenses		975,904	924,038
Operating (deficit)/surplus	3	(7,032)	27,821
Other interest receivable and similar income	5	12,929	19,130
Interest payable and similar charges	6	(31)	-
Surplus on ordinary activities before taxation		5,866	46,951
Taxation on surplus on ordinary activities	7	79	3,513
Surplus on ordinary activities after taxation		5,787	43,438

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the income and expenditure account.

The notes on pages 7 to 16 form part of these financial statements.

British Mensa Limited

Balance sheet at 31 December 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	8		19,273		17,530
Fixed asset investments	9		100		100
			19,373		17,630
Current assets					
Stocks		2,192		2,192	
Debtors	10	41,674		55,508	
Investments	11	214,903		205,857	
Cash at bank and in hand		211,248		209,334	
		470,017		472,891	
Creditors: amounts falling due within one year	12	108,954		115,872	
Net current assets			361,063		357,019
Total assets less current liabilities			380,436		374,649
Capital and reserves					
Training and development fund	14		13,823		18,000
Gifted children fund	14		11,708		14,000
Intellectual activity fund	14		10,000		10,000
Accumulated fund	14		344,905		332,649
Members' funds			380,436		374,649

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 11 May 2003.

DE Coates
Director



The notes on pages 7 to 16 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Consolidated financial statements

The company is exempt from the requirement to prepare consolidated 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.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

Turnover represents the total amount receivable by the company in the ordinary course of business, for goods supplied and services provided less returns. It excludes 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, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

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.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the income and expenditure account.

1 Accounting policies (*continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable surpluses in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Operating leases

Annual rentals are charged to the income and expenditure account on a straight line basis over the term of the lease.

Designated reserves

Training and development fund	To establish and develop training programmes for officers of Mensa to assist them to carry out their duties professionally and efficiently.
Gifted children fund	To be used for establishing, developing or supporting programmes for gifted children.
Intellectual activity fund	To develop a programme of lectures and seminars for members.

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (*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 1.4% (2001 : 1%).

	2002 £	2001 £
Analysis by market:		
Subscriptions:		
Standard rate	783,857	796,117
Reduced rate	46,668	43,567
Joint members	32,727	36,375
	863,252	876,059
VAT	(56,988)	(57,461)
International component	(32,564)	(35,596)
	773,700	783,002
Testing income	124,043	79,220
Mensa events	66,455	68,710
Advertising	2,587	12,482
Sundries	2,087	8,445
	968,872	951,859

3 Operating (deficit)/surplus

	2002 £	2001 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	10,721	23,733
Hire of other assets - operating leases	30,270	45,077
Auditors remuneration	7,400	7,250

4 Directors' remuneration

No director received any emoluments during the current year (2001 - £nil).

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

5 Other interest receivable and similar income

	2002 £	2001 £
Bank deposits	12,792	19,128
Other interest	137	2
	<u>12,929</u>	<u>19,130</u>

6 Interest payable and similar charges

	2002 £	2001 £
Bank loans and overdrafts	31	-
	<u>31</u>	<u>-</u>

7 Taxation on surplus on ordinary activities

	2002 £	2001 £
<i>UK Corporation tax</i>		
Current tax on surplus of the year	100	3,700
Adjustment in respect of previous periods	(21)	(187)
	<u>79</u>	<u>3,513</u>

British Mensa Limited**Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)**

7 Taxation on surplus on ordinary activities (Continued)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Surplus on ordinary activities before tax	5,866	46,951
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 20% (2001 - 20%)	1,173	9,390
Effect of:		
Income not taxable	1,413	(5,564)
Marginal relief	-	(147)
Group relief received	(1,659)	-
Adjustment to tax charge in respect of previous periods	(21)	(187)
Difference in tax rates	(813)	-
Rounding of current year charge	(14)	21
Current tax charge for period	79	3,513

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

8 Tangible fixed assets

	Plant and machinery etc £
<i>Cost or valuation</i>	
At 1 January 2002	224,594
Additions	12,464
At 31 December 2002	237,058
<i>Depreciation</i>	
At 1 January 2002	207,064
Provided for the year	10,721
At 31 December 2002	217,785
<i>Net book value</i>	
At 31 December 2002	19,273
At 31 December 2001	17,530

9 Fixed asset investments

	Shares in group undertakings £
<i>Cost or valuation</i>	
At 1 January 2002 and 31 December 2002	100
<i>Net book value</i>	
At 31 December 2001 and 31 December 2002	100

British Mensa Limited**Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)****9 Fixed asset investments (continued)***Subsidiary undertaking*

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Class of share capital held	Proportion of share capital held
Mensa Publications Limited	Ordinary	100%

Unless otherwise stated, the following figures have been extracted from audited financial statements for the year ended 31 December 2002:

	Aggregate share capital and reserves		(Loss)/Profit for the year	
	2002	2001	2002	2001
	£	£	£	£
Mensa Publications Limited	25,279	33,394	(8,115)	1,791

10 Debtors

	2002	2001
	£	£
Trade debtors	677	4,097
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	17,368
Other debtors	40,997	34,043
	41,674	55,508

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

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

11 Current asset investments

	2002 £	2001 £
Other investments	214,903	205,857

The above relates to monies held on deposit on 30 day call.

12 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	29,811	38,705
Amounts owed to group undertakings	14,081	-
Taxation and social security	8,600	21,747
Other creditors	56,462	55,420
	108,954	115,872

13 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 2002 was 26,247 (2001 : 26,493).

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

14 Reserves

	Training and development fund £	Gifted children fund £	Intellectual activity fund £	Accumulated fund £
At 1 January 2002	18,000	14,000	10,000	332,649
Surplus for the year	-	-	-	5,787
Allocations made in the year	(4,177)	(2,292)	-	6,469
	13,823	11,708	10,000	344,905

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

15 Contingent liabilities

British Mensa Limited has a contract with a third party supplier in respect of publications. This contract was awarded in 1995 and gave right to the publisher in respect of the American market.

American Mensa no longer believe that the right conferred under the agreement should have been given even though they have previously acceded to them. As a result the supplier has been asked to desist from selling in the USA.

At the moment the matter is being handled by solicitors with a view to reaching an amicable settlement. However, if this cannot be achieved, as yet unquantifiable cost could be incurred by British Mensa Limited.

16 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £4,565 (2001 : £967). Contributions amounting to £965 (2001 : £899) were payable to the fund and are included in creditors.

17 Related party disclosures

Related party transactions and balances

Recharges for general administrative services of £54,761 (2001 : £54,803) were made to Mensa Publications Limited during the year. At 31 December 2002, the company owed £14,081 to Mensa Publications Limited. At 31 December 2001 £17,638 was due from Mensa Publications Limited.

18 Capital commitments

As at 31 December 2002, the company had no capital commitments (2001 : £nil).

19 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2002 Land and buildings £	2002 Other £	2001 Land and buildings £	2001 Other £
Operating leases which expire:				
In two to five years	-	16,084	-	15,484
After five years	36,980	-	29,500	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

20 Salaries and fees

	2002	2001
	£	£
Salaries of senior management	136,448	97,952
Fees paid for magazine contract	26,100	24,675
	162,548	122,627

Senior management is defined as the General Manager, Accounts Manager, Marketing Manager, Communications Manager and Membership Secretary.