

971663

British Mensa Limited

(Limited by Guarantee)

Report and Financial Statements

Year Ended

31 December 2003



British Mensa Limited

Annual report and financial statements for the year ended 31 December 2003

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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 LLP, Mander House, Wolverhampton, West Midlands, WV1 3NF

British Mensa Limited

Report of the directors for the year ended 31 December 2003

The directors present their report together with the audited financial statements for the year ended 31 December 2003.

Results

The income and expenditure account is set out on page 5 and shows the deficit 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
CJ Leek
PF Ford
PJ Baimbridge
S Herbert
C O'Beara
G Hopkins
G Metcalf

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 PW Boswell, C O'Beara and G Hopkins who are eligible for re-election.

British Mensa Limited

Report of the directors for the year ended 31 December 2003 (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

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next 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.

On behalf of the board

S Herbert



Chairman

Date: 14/3/04

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 2003 on pages 5 to 17 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.

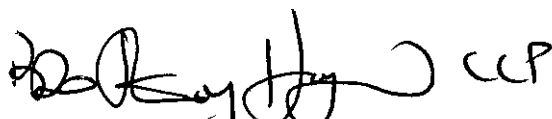
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2003 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Wolverhampton

Date: 24 May 2004

British Mensa Limited

Income and expenditure account for the year ended 31 December 2003

	Note	2003 £	2002 £
Turnover	2	949,551	968,872
Administrative expenses		985,031	975,904
		<u> </u>	<u> </u>
Operating deficit	3	(35,480)	(7,032)
Other interest receivable and similar income	5	12,127	12,929
Interest payable and similar charges	6	-	(31)
		<u> </u>	<u> </u>
(Deficit)/surplus for the year before taxation		(23,353)	5,866
Taxation on (deficit)/surplus on ordinary activities	7	(14)	(79)
		<u> </u>	<u> </u>
(Deficit)/surplus on ordinary activities after taxation		(23,367)	5,787
		<u> </u>	<u> </u>

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 17 form part of these financial statements.

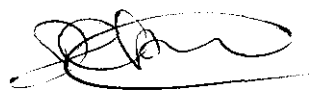
British Mensa Limited**Balance sheet at 31 December 2003**

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	8		15,052		19,273
Fixed asset investments	9		100		100
			<u>15,152</u>		<u>19,373</u>
Current assets					
Stocks		2,192		2,192	
Debtors	10	93,111		41,674	
Investments	11	222,668		214,903	
Cash at bank and in hand		153,081		211,248	
		<u>471,052</u>		<u>470,017</u>	
Creditors: amounts falling due within one year	12	<u>129,135</u>		<u>108,954</u>	
Net current assets			<u>341,917</u>		<u>361,063</u>
Total assets less current liabilities			<u>357,069</u>		<u>380,436</u>
Capital and reserves					
Training and development fund	14		9,905		13,823
Gifted children fund	14		10,718		11,708
Intellectual activity fund	14		8,999		10,000
Accumulated fund	14		327,447		344,905
			<u>357,069</u>		<u>380,436</u>
Members' funds			<u>357,069</u>		<u>380,436</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 14/3/04

DE Coates
Director



The notes on pages 7 to 17 form part of these financial statements.

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2003

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, except for investment properties, freehold land and certain buildings, 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 profits 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 income and expenditure 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.

Special interest groups

Money received for special interest groups to the extent to which it has not been expended is treated as refundable and included in creditors.

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 2003 (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 1.3% (2002 : 1.4%).

	2003 £	2002 £
Analysis by market:		
Subscriptions:		
Standard rate	790,645	783,857
Reduced rate	47,238	46,668
Joint members	32,410	32,727
	870,293	863,252
VAT	(56,935)	(56,988)
International component	(41,505)	(32,564)
	771,853	773,700
Testing income	81,965	124,043
Mensa events	86,497	66,455
Advertising	6,474	2,587
Sundries	2,762	2,087
	949,551	968,872

3 Operating deficit

	2003 £	2002 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	10,503	10,721
Hire of other assets - operating leases	36,896	30,270
Auditors remuneration	7,500	7,400

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

4 Directors' remuneration

No director received any emoluments during the current year (2002 - £nil).

5 Other interest receivable and similar income

	2003 £	2002 £
Bank deposits	12,127	12,792
Other interest	-	137
	12,127	12,929

6 Interest payable and similar charges

	2003 £	2002 £
Bank loans and overdrafts	-	31

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

7 Taxation on (deficit)/surplus on ordinary activities

	2003 £	2002 £
<i>UK Corporation tax</i>		
Current tax on surplus of the year	-	100
Adjustment in respect of previous years	14	(21)
	<u>14</u>	<u>79</u>
Total current tax	<u>14</u>	<u>79</u>

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

	2003 £	2002 £
(Deficit)/surplus on ordinary activities before tax	(23,353)	5,866
(Deficit)/surplus on ordinary activities at the standard rate of corporation tax in the UK of 19% (2002 - 20%)	(4,437)	1,173
Effect of:		
Income not taxable	6,741	1,413
Group relief	(1,354)	(1,659)
Adjustment to tax charge in respect of previous years	14	(21)
Difference in tax rates	-	(813)
Rounding of current year charge	-	(14)
Tax credits	(950)	-
	<u>14</u>	<u>79</u>
Current tax charge for year	<u>14</u>	<u>79</u>

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (*Continued*)

8 Tangible fixed assets

	Plant and machinery etc £
<i>Cost or valuation</i>	
At 1 January 2003	237,058
Additions	6,282
At 31 December 2003	243,340
<i>Depreciation</i>	
At 1 January 2003	217,785
Provided for the year	10,503
At 31 December 2003	228,288
<i>Net book value</i>	
At 31 December 2003	15,052
At 31 December 2002	19,273

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

9 Fixed asset investments

	Shares in group undertakings £
<i>Cost or valuation</i>	
At 1 January 2003 and 31 December 2003	100
	—
<i>Net book value</i>	
At 31 December 2002 and 31 December 2003	100
	—

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 2003:

	Aggregate share capital and reserves		Loss for the year	
	2003	2002	2003	2002
	£	£	£	£
Mensa Publications Limited	11,486	25,279	(13,793)	(8,115)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

British Mensa Limited**Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)****10 Debtors**

	2003 £	2002 £
Trade debtors	1,147	677
Amounts owed by group undertakings	43,773	-
Other debtors	48,191	40,997
	<u>93,111</u>	<u>41,674</u>

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

11 Current asset investments

	2003 £	2002 £
Other investments	222,668	214,903
	<u>222,668</u>	<u>214,903</u>

The above relates to monies held on deposit on 30 day call. The monies held on investment are the proceeds of the sale of the original Mensa House plus interest and are earmarked for the acquisition of new office accommodation.

12 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	53,572	29,811
Amounts owed to group undertakings	-	14,081
Taxation and social security	23,450	8,600
Other creditors	52,113	56,462
	<u>129,135</u>	<u>108,954</u>

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

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 2003 was 26,153 (2002 : 26,247).

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 2003	13,823	11,708	10,000	344,905
Deficit for the year	-	-	-	(23,367)
Allocations made in the year	(3,918)	(990)	(1,001)	5,909
At 31 December 2003	<u>9,905</u>	<u>10,718</u>	<u>8,999</u>	<u>327,447</u>

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 American rights to the supplier. American Mensa no longer believes that this right should be continued and have now taken legal action to prevent the publisher from using those rights in The United States.

As a result of the above the supplier could claim damages from British Mensa for loss of earning potential in America. At the present time the Board of British Mensa Limited continues to discuss the issue with all parties concerned and also to take appropriate legal advice in order to reach an amicable resolution of this issue. If these negotiations are not successful then the company could be faced with an unquantifiable claim which would impact on reserves.

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

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 £4,591 (2002 : £4,565). Contributions amounting to £1,283 (2002 : £965) 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 £65,196 (2002 : £54,761) were made to Mensa Publications Limited during the year. At 31 December 2003 the company was owed £43,733 by Mensa Publications Limited. At 31 December 2002 the company owed £14,081 to Mensa Publications Limited.

18 Capital commitments

As at 31 December 2003, the company had no capital commitments (2002 : £nil).

19 Commitments under operating leases

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

	2003 Land and buildings £	2003 Other £	2002 Land and buildings £	2002 Other £
Operating leases which expire:				
Within one year	-	2,164	-	-
In two to five years	-	14,680	-	16,084
After five years	36,980	-	36,980	-
	<u>36,980</u>	<u>16,844</u>	<u>36,980</u>	<u>16,084</u>

British Mensa Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (*Continued*)

20 Salaries and fees

	2003 £	2002 £
Salaries of senior management	133,807	136,448
Fees paid for magazine contract	27,300	26,100
	161,107	162,548

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