

COMPANIES HOUSE COPY

British Mensa Limited

Report and Financial Statements

Year Ended

31 December 2005

BDO
BDO Stoy Hayward
Chartered Accountants



British Mensa Limited

Annual report and financial statements for the year ended 31 December 2005

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Directors

DE Theasby
CJ Leek
PJ Baimbridge
S Herbert
G Hopkins
JFR Quint
JL Paines
MT Thomson
TO Boswell

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, 125 Colmore Row, Birmingham, B3 3SD

British Mensa Limited

Report of the directors for the year ended 31 December 2005

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

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 the Constitution of Mensa are;

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

Through income improvements and cost reductions there is considerable improvement from 2004 although there is still an operating deficit this year. Several costs however, such as office lease dilapidations and website development costs are only relevant to 2005.

To further improve the situation the Board have invested reserves in a new marketing website and members' web community to improve communications and member activity. This will assist in reducing some costs further, improve member recruitment and retention and provide new revenue markets.

Directors

The directors of the company during the year were:

DE Theasby	(Formerly DE Coates)
CJ Leek	
PJ Baimbridge	
S Herbert	
G Hopkins	
CJ Rhodes	(retired on 16 July 2005)
JFR Quint	(retired on 16 July 2005 and re-appointed on 24 September 2005)
JL Paines	
GK Owens	(resigned on 5 September 2005)
MT Thomson	(appointed on 16 July 2005)
TO Boswell	(appointed on 16 July 2005)

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 at the 2006 AGM are DE Theasby, PJ Baimbridge, S Herbert and JFR Quint who are eligible for re-election.

Report of the directors for the year ended 31 December 2005 (Continued)

Directors' responsibilities

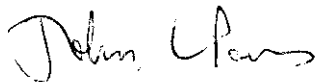
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing those financial statements, the directors are required to:

- 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.

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



JL Paines

Chairman

Date: 21/5/06

To the members of British Mensa Limited

We have audited the financial statements of British Mensa Limited for the year ended 31 December 2005 which comprise the Income and Expenditure account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the 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 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 other transactions 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 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.

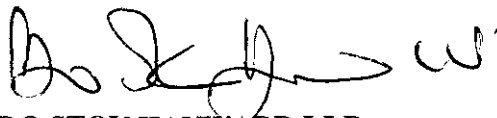
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 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
Birmingham*

Date: 25 July 2006

British Mensa Limited**Income and Expenditure Account for the year ended 31 December 2005**

	Note	2005 £	2004 £
Turnover	2	915,208	861,397
Administrative expenses		982,385	1,001,228
Operating Deficit	3	(67,177)	(139,831)
Other interest receivable and similar income	5	7,478	10,958
Interest payable and similar charges	6	(169)	(14)
Deficit on ordinary activities before taxation		(59,868)	(128,887)
Taxation on deficit on ordinary activities	7	(600)	(1,100)
Deficit on ordinary activities after taxation		(60,468)	(129,987)

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 2005

	Note	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Tangible assets	8		60,292		31,072
Fixed asset investments	9		100		100
			60,392		31,172
Current assets					
Stocks		1,890		2,000	
Debtors	10	76,086		65,823	
Investments	11	149,377		230,287	
Cash at bank and in hand		57,123		31,242	
		284,476		329,352	
Creditors: amounts falling due within one year	12	165,040		133,442	
Net current assets			119,436		195,910
Total assets less current liabilities			179,828		227,082
Creditors: amounts falling due after more than one year	13		13,214		-
			166,614		227,082
Capital and reserves					
Training & Development Fund	15		9,578		9,905
Gifted Children Fund	15		10,693		10,693
Intellectual Activity Fund	15		8,882		8,977
Accumulated Fund	15		137,461		197,507
Member's funds			166,614		227,082

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 21/5/06

DE Theasby
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, 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*)

Website development costs

Where websites are expected to generate future revenues in excess of the costs of developing those websites, expenditure on the functionality of the website is capitalised and depreciated over its expected useful life. Expenditure incurred on maintaining websites and expenditure incurred on developing websites are written off as incurred.

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 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 are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Income and Expenditure account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the Income and Expenditure account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the Income and Expenditure account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the Income and Expenditure Account in the period in which they become payable.

Taxation

Payment is made for corporation tax group relief between group undertakings where appropriate.

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.

1 Accounting policies (continued)*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.

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 2.1% (2004 - 1.6%).

	2005 £	2004 £
Analysis by market:		
Subscriptions:		
Standard rate	803,180	757,679
Reduced rate	57,385	47,626
Joint members	33,585	30,935
	894,150	836,240
VAT	(58,496)	(54,707)
International component	(66,388)	(57,500)
	769,266	724,033
Testing Income	59,200	54,222
Mensa Events	79,873	75,662
Advertising	3,595	4,770
Sundries	3,274	2,710
	915,208	861,397

3 Operating deficit

	2005 £	2004 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	13,786	11,771
Loss/(profit) on disposal of tangible fixed assets	112	(1,599)
Hire of other assets - operating leases	38,660	37,524
Auditors remuneration	8,000	6,500
Dilapidations	20,000	7,500
	<u> </u>	<u> </u>

4 Directors' remuneration

No director received any emoluments during the current year (2004 - £nil).

5 Other interest receivable and similar income

	2005 £	2004 £
Bank deposits	7,478	10,958
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2005 £	2004 £
Bank loans and overdrafts	169	14
	<u> </u>	<u> </u>

7 Taxation on deficit on ordinary activities

	2005 £	2004 £
<i>UK Corporation tax</i>		
Current tax on surplus of the year	600	1,100

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

	2005 £	2004 £
Deficit on ordinary activities before tax	(59,868)	(128,887)
Deficit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2004 - 19%)	(11,375)	(24,489)
Effect of:		
Income not taxable	12,796	26,539
Marginal relief	(832)	(950)
Other	11	-
Current tax charge for period	600	1,100

8 Tangible fixed assets

	Plant and machinery etc £
<i>Cost or valuation</i>	
At 1 January 2005	95,226
Additions	43,118
Disposals	(10,390)
At 31 December 2005	127,954
<i>Depreciation</i>	
At 1 January 2005	64,154
Provided for the year	13,786
Disposals	(10,278)
At 31 December 2005	67,662
<i>Net book value</i>	
At 31 December 2005	60,292
At 31 December 2004	31,072

The net book value of fixed assets includes an amount of £13,716 (2004 - £NIL) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £381 (2004 - £NIL).

9 Fixed asset investments

	Shares in group undertakings £
<i>Cost or valuation</i>	
At 1 January 2005 and 31 December 2005	100

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 2005:

	Aggregate share capital and reserves		Profit/ (Loss) for the year	
	2005	2004	2005	2004
	£	£	£	£
Mensa Publications Limited	155	114	41	(11,372)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10 Debtors

	2005	2004
	£	£
Trade debtors	659	2,029
Amounts owed by group undertakings	26,018	22,375
Other debtors	49,409	41,419
	<u> </u>	<u> </u>
	76,086	65,823
	<u> </u>	<u> </u>

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

Notes forming part of the Financial Statements for the year ended 31 December 2005 (Continued)

11 Current asset investments

	2005 £	2004 £
Other investments	149,377	230,287

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. These monies are held in a separate account and are earmarked for use at the discretion of the Board for potential acquisition of office premises or other purposes. This year money has been used for the web community project, both as an investment in the future of the society and to assist in cost savings going forward. It is the intention of the board to reinstate the previous level of reserve when reasonably possible.

12 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	81,328	47,901
Taxation and social security	9,072	14,450
Obligations under finance lease and hire purchase contracts	7,550	-
Other creditors	67,090	71,091
	165,040	133,442

13 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Obligations under finance lease and hire purchase contracts	13,214	-

Maturity of debt:

	Finance leases 2005 £	Finance leases 2004 £
In one year or less, or on demand	7,550	-
In more than one year but not more than two years	7,550	-
In more than two years but not more than five years	5,664	-
	13,214	-

14 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 2005 was 24,308 (2004 - 25,413).

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

15 Reserves

	Training & Development Fund £	Gifted Children Fund £	Intellectual Activity Fund £	Accumulated Fund £
At 1 January 2005	9,905	10,693	8,977	197,507
Deficit for the year	-	-	-	(60,468)
Transfers	(327)	-	(95)	422
	<u>9,578</u>	<u>10,693</u>	<u>8,882</u>	<u>137,461</u>
At 31 December 2005	<u>9,578</u>	<u>10,693</u>	<u>8,882</u>	<u>137,461</u>

16 Contingent liabilities

British Mensa Limited has agreed to provide financial support as necessary to enable its subsidiary undertaking, Mensa Publications Limited, to continue to trade as a going concern. At 31 December 2005, Mensa Publications Limited had shareholder funds of £155.

17 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 £5,344 (2004 - £5,185). Contributions amounting to £NIL (2004 - £NIL) were payable to the fund and are included in creditors.

18 Related party disclosures*Related party transactions and balances*

Recharges for general administrative services of £63,305 (2004 - £64,549) were made to Mensa Publications Limited during the year. At 31 December 2005 the company was owed £26,018 (2004 - £22,375) by Mensa Publications Limited.

19 Capital commitments

As at 31 December 2005, the company had capital commitments of £44,560 (2004 - £nil).

20 Commitments under operating leases

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

	2005 Land and buildings £	2005 Other £	2004 Land and buildings £	2004 Other £
Operating leases which expire:				
In two to five years	17,500	21,002	-	17,813
After five years	-	-	17,500	-
	<u>17,500</u>	<u>21,002</u>	<u>17,500</u>	<u>17,813</u>

21 Salaries and fees

	2005 £	2004 £
Salaries of senior management	154,986	152,480
Fees paid for magazine contract	30,000	29,400
	<u>184,986</u>	<u>181,880</u>

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

Salaries and fees are included in administrative expenses.