

Registration number 971663

**British Mensa Limited
Company limited by guarantee**

**Directors' report and financial statements
for the year ended 31 December 2006**

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COMPANIES HOUSE

British Mensa Limited
Company limited by guarantee

Company information

Directors	JL Paines	Chairman
	G Hopkins	Secretary
	D E Theasby	Treasurer
	TO Boswell	
	S Herbert	
	C J Leek	
	F Langton	(Appointed 3rd September 2006)
	P Tesseymen	(Appointed 3rd September 2006)
Secretary	JL Stevenage	
Company number	971663	
Registered office	St John's House St John's Square Wolverhampton West Midlands WV2 4AH	
Auditors	Daw White Murrall 1 George Street Snow Hill Wolverhampton WV2 4DG	
Business address	St John's House St Johns Square Wolverhampton West Midlands WV2 4AH	

British Mensa Limited
Company limited by guarantee

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British Mensa Limited
Company limited by guarantee

Directors' report
for the year ended 31 December 2006

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activity

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

Financial Performance

Through continued cost control the operating deficit is much reduced from the previous year. We provided financial support for the 60th anniversary activity, exclusive to this year, which was reflected in the excellent celebrations held in Nottingham in October. The Marketing and Member Community Website is now live after some unforeseen delays in launching and is already showing a steady increase in use by members, assisting in streamlining some administrative costs and has opened new revenue channels to the public which will be built on in 2007 and the future. There are also some licensing arrangements finalised which will bring new revenue into Mensa Publications Limited in 2007. All of these mean that we are hoping for an improvement in our financial position giving us funds for further developments in the future.

Directors

The directors who served during the year are as stated below

JL Paines	
G Hopkins	
D E Theasby	
PJ Baimbridge	(Resigned 3rd August 2006)
TO Boswell	
S Herbert	
F Langton	(Appointed 3rd September 2006)
C J Leek	
JFR Quint	(Retired 30 September 2006)
P Tesseyman	(Appointed 3rd September 2006)
MT Thomson	(Directorship ceased 8th June 2006)

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

British Mensa Limited
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Directors' report
for the year ended 31 December 2006

continued

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and 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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

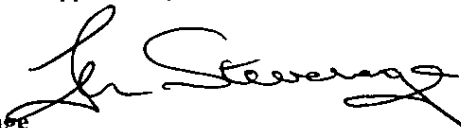
Auditors

Daw White Murrall were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

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

This report was approved by the Board on 8 May 2007 and signed on its behalf by

JL Stevenage
Secretary



**Independent auditors' report to the members of
British Mensa Limited**

We have audited the financial statements of British Mensa Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 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.

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 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.

Independent auditors' report to the shareholders of British Mensa Limited 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 2006 and of its loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985 and

the information given in the Directors' Report is consistent with the financial statements for the year ended 31 December 2006

A handwritten signature in black ink, appearing to read 'Daw White Murrall', with a large, stylized initial 'D'.

**Daw White Murrall
Chartered Accountants and
Registered Auditors
1 George Street
Snow Hill
Wolverhampton
WV2 4DG
8 May 2007**

British Mensa Limited
Company limited by guarantee

Profit and loss account
for the year ended 31 December 2006

		Continuing operations	
		2006	2005
	Notes	£	£
Turnover	2	916,312	915,208
Operational costs		(519,278)	(596,009)
Administrative expenses		(408,189)	(386,376)
Operating loss	3	(11,155)	(67,177)
Other interest receivable and similar income		5,422	7,478
Interest payable and similar charges	4	(1,782)	(169)
Loss on ordinary activities before taxation		(7,515)	(59,868)
Tax on loss on ordinary activities	6	(530)	(600)
Loss on ordinary activities after taxation and			
Loss for the year	13	(8,045)	(60,468)
Retained profit brought forward		137,461	197,507
Reserve Movements		4,151	422
Retained profit carried forward		<u>133,567</u>	<u>137,461</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years

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

British Mensa Limited
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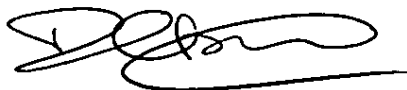
Balance sheet
as at 31 December 2006

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		75,898		60,292
Investments	8		100		100
			<u>75,998</u>		<u>60,392</u>
Current assets					
Stocks		1,890		1,890	
Debtors	9	79,434		76,086	
Investments	10	123,645		149,377	
Cash at bank and in hand		10,279		57,123	
		<u>215,248</u>		<u>284,476</u>	
Creditors' amounts falling due within one year	11	<u>(128,486)</u>		<u>(165,040)</u>	
Net current assets			<u>86,762</u>		<u>119,436</u>
Total assets less current liabilities			162,760		179,828
Creditors: amounts falling due after more than one year	12		<u>(4,191)</u>		<u>(13,214)</u>
Net assets			<u>158,569</u>		<u>166,614</u>
Reserves					
Training & Development Fund	13		6,427		9,578
Gifted Children Fund	13		10,693		10,693
Other reserves	13		7,882		8,882
Accumulated Fund	13		133,567		137,461
Equity shareholders' funds	14		<u>158,569</u>		<u>166,614</u>

The financial statements are 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 8 May 2007 and signed on its behalf by

D E Theasby
Director



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

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2006

1. Accounting policies

1.1. Accounting convention

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company

1.2. Changes in accounting policy

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

1.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities. 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.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	-	20% per annum on cost
Computer equipment	-	33% per annum on cost

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Current asset investments are at the lower of cost and net realisable value.

1.7. Stock

Stock is valued at the lower of cost and net realisable value.

British Mensa Limited
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Notes to the financial statements
for the year ended 31 December 2006

continued

1.8. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

1.9. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise

1.10. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

1.11. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts

1.12. Website development costs

Where websites are expected to generate future revenues in excess of the costs of developing those websites, expenditure on 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

1.13. 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

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2006

continued

1.14 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

1.15 Ordinary Reserve

The directors aim to maintain an ordinary reserve of a minimum of two months' average expenditure, not including any designated or allocated reserves

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

Analysis by market	2006 £	2005 £
Subscriptions		
Standard rate	810,018	803,180
Reduced rate	62,863	57,385
Joint members	33,577	33,585
	<u>906,458</u>	<u>894,150</u>
VAT	(60,688)	(58,496)
International component	(67,848)	(66,388)
	<u>777,922</u>	<u>769,266</u>
Testing Income	69,394	59,200
Mensa Events	64,031	79,873
Advertising	2,517	3,595
Sundries	2,448	3,274
	<u>916,312</u>	<u>915,208</u>

British Mensa Limited
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Notes to the financial statements
for the year ended 31 December 2006

continued

3. Operating loss	2006	2005
	£	£
Operating loss is stated after charging		
Depreciation and other amounts written off tangible assets	30,676	13,786
Loss on disposal of tangible fixed assets	-	112
Operating lease rentals		
- Plant and machinery	20,686	21,035
- Land and buildings	32,027	34,019
Auditors' remuneration	5,250	8,000
	<u> </u>	<u> </u>
and after crediting		
Net foreign exchange gain	882	304
	<u> </u>	<u> </u>
 4. Interest payable and similar charges	 2006	 2005
	£	£
Included in this category is the following		
Interest payable on loans < 1 yr	-	169
Hire purchase interest	1,782	-
	<u> </u>	<u> </u>
	1,782	169
	<u> </u>	<u> </u>

5. Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £14,920 (2005 - £14,529).

British Mensa Limited
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Notes to the financial statements
for the year ended 31 December 2006

continued

6. Tax on loss on ordinary activities

Analysis of charge in period	2006	2005
	£	£
Current tax		
UK corporation tax	530	600

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent) The differences are explained below

	2006	2005
	£	£
Loss on ordinary activities before taxation	(7,515)	(59,868)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2005 19%)	(1,428)	(11,375)
Effects of:		
Expenses not deductible for tax purposes	-	11
Income not taxable	1,958	12,796
Marginal relief	-	(832)
Current tax charge for period	530	600

British Mensa Limited
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Notes to the financial statements
for the year ended 31 December 2006

continued

7. Tangible fixed assets

	Plant and machinery	Total
	£	£
Cost/revaluation		
At 1 January 2006	127,954	127,954
Additions	46,282	46,282
At 31 December 2006	<u>174,236</u>	<u>174,236</u>
Depreciation		
At 1 January 2006	67,662	67,662
Charge for the year	30,676	30,676
At 31 December 2006	<u>98,338</u>	<u>98,338</u>
Net book values		
At 31 December 2006	<u>75,898</u>	<u>75,898</u>
At 31 December 2005	<u>60,292</u>	<u>60,292</u>

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	2006		2005	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Plant and machinery	<u>9,144</u>	<u>4,572</u>	<u>13,716</u>	<u>381</u>

British Mensa Limited
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Notes to the financial statements
for the year ended 31 December 2006

continued

8. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2006		
At 31 December 2006	100	100
	<u>100</u>	<u>100</u>
Net book values		
At 31 December 2006	100	100
	<u>100</u>	<u>100</u>
At 31 December 2005	100	100
	<u>100</u>	<u>100</u>

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

	Shares held Class	Proportion of shares held
Mensa Publications Limited	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves £	Profit/(loss) for the year £
Mensa Publications Limited	175	20
	<u>175</u>	<u>20</u>

9. Debtors	2006 £	2005 £
Trade debtors	1,765	659
Amounts owed by group undertakings	27,163	26,018
Other debtors	50,506	49,409
	<u>79,434</u>	<u>76,086</u>

British Mensa Limited
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Notes to the financial statements
for the year ended 31 December 2006

continued

10. Current asset investments	2006	2005
	£	£
Other unlisted investments	123,645	149,377
	<u> </u>	<u> </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. These monies are held in a separate account and are earmarked for use at the discretion of the Board.

11. Creditors: amounts falling due within one year	2006	2005
	£	£
Net obligations under finance leases and hire purchase contracts	4,572	7,550
Trade creditors	65,065	81,328
Corporation tax	1,642	1,700
Other taxes and social security costs	-	7,372
Other creditors	57,207	67,090
	<u>128,486</u>	<u>165,040</u>

12. Creditors: amounts falling due after more than one year	2006	2005
	£	£
Net obligations under finance leases and hire purchase contracts	4,191	13,214
	<u> </u>	<u> </u>

13. Equity Reserves	Training & Development Fund	Gifted Children Fund	Accumulated Fund	Intellectual Activity Fund	Total
	£	£	£	£	£
At 1 January 2006	9,578	10,693	137,461	8,882	166,614
Loss for the year			(8,045)		(8,045)
Other movements	(3,151)	-	4,151	(1,000)	-
At 31 December 2006	<u>6,427</u>	<u>10,693</u>	<u>133,567</u>	<u>7,882</u>	<u>158,569</u>

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2006

continued

14. Reconciliation of movements in members' funds	2006	2005
	£	£
Loss for the year	(8,045)	(60,468)
Opening members' funds	166,614	227,082
Closing members' funds	<u>158,569</u>	<u>166,614</u>

15. Financial commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2006	2005	2006	2005
	£	£	£	£
Expiry date:				
Within one year	-	-	14,680	-
Between one and five years	-	-	3,133	21,002
In over five years	13,000	17,500	-	-
	<u>13,000</u>	<u>17,500</u>	<u>17,813</u>	<u>21,002</u>

16. Capital commitments	2006	2005
	£	£
Details of capital commitments at the accounting date are as follows		
Contracted for but not provided in the financial statements	<u>-</u>	<u>44,560</u>

17. 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 2006, Mensa Publications Limited had shareholder funds of £175

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2006

continued

18. Related party transactions

Recharges of general administrative services of £43,332 (2005 - £63,305) were made to Mensa Publications Limited during the year. At 31 December 2006 the company was owed £27,163 (2005 - £26,108) by Mensa Publications Limited.

19. Company limited by guarantee

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

The number of members at 31 December 2006 was 24,012 (2005 - 24,308).

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

British Mensa Limited
Company limited by guarantee

The following pages do not form part of the statutory accounts.

British Mensa Limited
Company limited by guarantee

Detailed trading and profit and loss account
for the year ended 31 December 2006

	2006		2005	
	£	£	£	£
Income				
Subscriptions		777,922		769,266
Testing Income		69,394		59,200
Mensa Events		64,031		79,873
Advertising		2,517		3,595
Sundries		2,448		3,274
		<u>916,312</u>		<u>915,208</u>
Operational costs	519,278		596,009	
Administrative expenses	<u>408,189</u>		<u>386,376</u>	
		(927,467)		(982,385)
Operating loss	1%	(11,155)	6%	(67,177)
Other income and expenses				
Interest receivable				
Bank deposit interest	<u>5,422</u>		<u>7,478</u>	
		5,422		7,478
Interest payable				
Bank interest	-		169	
HP interest and fin lease charges	<u>1,782</u>		<u>-</u>	
		(1,782)		(169)
Net loss for the year		<u>(7,515)</u>		<u>(59,868)</u>

British Mensa Limited
Company limited by guarantee

Operational costs and administrative expenses
for the year ended 31 December 2006

	2006	2005
	£	£
Operational costs		
Mensa Directors' operational overheads	12,505	10,030
AGM costs	16,238	21,011
Magazine costs	251,608	261,174
Bright Sparks magazine costs	1,239	1,704
Regional Newsletter costs	23,242	22,082
Membership costs	16,860	30,880
Credit card charges	5,618	5,397
Recruitment costs	61,921	56,238
Advertising costs	1,100	725
Regional development	13,610	32,813
Special Interest Group costs	39,071	39,922
Procedures Body costs	1,360	1,486
Other British Mensa Officials costs	2,145	852
Promotional costs	932	2,299
Event costs	63,036	85,966
Intellectual Activity Fund	1,000	95
Training & Development Fund	3,151	327
Legal expenses	4,642	1,694
Office move	-	1,202
Dilapidations	-	20,000
Profits/losses on disp of tangibles	-	112
	<u>519,278</u>	<u>596,009</u>
Administrative expenses		
Wages and salaries	260,239	256,000
Employer's NI contributions	25,840	25,174
Staff money purchase pension costs	14,920	14,529
Management recharge to Mensa Publications Limited	(43,332)	(63,305)
Premises Costs	32,027	34,019
Insurance	7,969	8,331
Leasing of plant and machinery	20,686	21,035
Maintenance and development of equipment	21,721	31,653
Printing, postage, telephone and stationery	20,234	18,626
Travel and subsistence	6,490	7,727
Accountancy	-	3,800
Audit	5,250	8,000
Bank charges	4,099	4,152
Exchange rate variances	(882)	(304)
General expenses	2,252	3,153
Depreciation	30,676	13,786
	<u>408,189</u>	<u>386,376</u>