

Registration number 971663

British Mensa Limited
Company limited by guarantee

Directors' report and financial statements

for the year ended 31 December 2007



British Mensa Limited
Company limited by guarantee

Company information

Directors	D E Theasby C J Leek S Herbert G Hopkins JL Paines TO Boswell F Langton AK Rootkin (Appointed 17 February 2007)
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

Contents

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 16

British Mensa Limited
Company limited by guarantee

Directors' report
for the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007

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

Directors

The directors who served during the year are as stated below

D E Theasby
C J Leek
S Herbert
G Hopkins
JL Paines
TO Boswell
F Langton
P Tesseyman (Resigned 4 December 2007)
AK Rootkin (Appointed 17 February 2007)

Directors' responsibilities

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

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

British Mensa Limited
Company limited by guarantee

Directors' report
for the year ended 31 December 2007

continued

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.

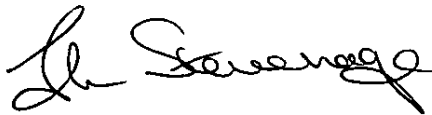
Auditors

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 29 May 2008 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 2007 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.

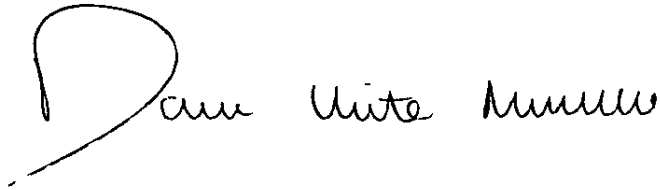
Independent auditors' report to the shareholders of British Mensa Limited continued

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 2007 and of its profit 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 2007

A handwritten signature in black ink, reading "Daw White Murrall". The signature is written in a cursive style, with the first letter 'D' being large and stylized.

**Daw White Murrall
Chartered Accountants and
Registered Auditors
1 George Street
Snow Hill
Wolverhampton
WV2 4DG
29 May 2008**

British Mensa Limited
Company limited by guarantee

Profit and loss account
for the year ended 31 December 2007

		Continuing operations	
		2007	2006
	Notes	£	£
Turnover	2	901,907	916,312
Operational costs		(493,867)	(519,278)
Administrative expenses		(401,668)	(408,189)
Operating profit/(loss)	3	6,372	(11,155)
Other interest receivable and similar income		4,468	5,422
Interest payable and similar charges	4	(1,782)	(1,782)
Profit/(loss) on ordinary activities before taxation		9,058	(7,515)
Tax on profit/(loss) on ordinary activities	6	(882)	(530)
Profit/(loss) on ordinary activities after taxation and Retained profit/(loss) for the year	13	8,176	(8,045)
Retained profit brought forward		133,567	137,461
Reserve Movements		2,352	4,151
Retained profit carried forward		<u>144,095</u>	<u>133,567</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
Company limited by guarantee

Balance sheet
as at 31 December 2007

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		43,802		75,898
Investments	8		100		100
			<u>43,902</u>		<u>75,998</u>
Current assets					
Stocks		1,514		1,890	
Debtors	9	72,108		79,434	
Investments	10	132,980		123,645	
Cash at bank and in hand		56,662		10,279	
		<u>263,264</u>		<u>215,248</u>	
Creditors: amounts falling due within one year	11	(140,421)		(128,486)	
Net current assets			<u>122,843</u>		<u>86,762</u>
Total assets less current liabilities			166,745		162,760
Creditors: amounts falling due after more than one year	12		-		(4,191)
Net assets			<u>166,745</u>		<u>158,569</u>
Reserves					
Training & Development Fund	13		4,997		6,427
Gifted Children Fund	13		10,693		10,693
Other reserves	13		6,960		7,882
Accumulated Fund	13		144,095		133,567
Equity shareholders' funds	14		<u>166,745</u>		<u>158,569</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 29 May 2008 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 2007

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
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2007

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 2007

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	2007 £	2006 £
Subscriptions		
Standard rate	753,522	810,018
Reduced rate	63,183	62,863
Joint members	33,547	33,577
	<u>850,252</u>	<u>906,458</u>
VAT	(55,782)	(60,688)
International component	(54,391)	(67,848)
	<u>740,079</u>	<u>777,922</u>
Testing Income	93,020	69,394
Mensa Events	61,509	64,031
Advertising	1,159	2,517
Sundries	6,140	2,448
	<u>901,907</u>	<u>916,312</u>

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2007

continued

3. Operating profit/(loss)	2007	2006
	£	£
Operating profit/(loss) is stated after charging		
Depreciation and other amounts written off tangible assets	36,748	30,676
Operating lease rentals		
- Plant and machinery	23,971	20,686
- Land and buildings	38,467	32,027
Auditors' remuneration	5,250	5,250
	<u> </u>	<u> </u>
and after crediting		
Net foreign exchange gain	113	882
	<u> </u>	<u> </u>
 4. Interest payable and similar charges	 2007	 2006
	£	£
Hire purchase interest	1,782	1,782
	<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 £15,279 (2006 - £14,920).

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2007

continued

6. Tax on profit/(loss) on ordinary activities

Analysis of charge in period	2007	2006
	£	£
Current tax		
UK corporation tax	882	1,030
Adjustments in respect of previous periods	-	(500)
	<u>882</u>	<u>530</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20 per cent). The differences are explained below

	2007	2006
	£	£
Profit/(loss) on ordinary activities before taxation	<u>9,058</u>	<u>(7,515)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31 December 2006 19%)	1,812	(1,428)
Effects of:		
Income not taxable	(930)	1,958
Current tax charge for period	<u>882</u>	<u>530</u>

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2007

continued

7. Tangible fixed assets	Plant and machinery	Total
	£	£
Cost/revaluation		
At 1 January 2007	174,236	174,236
Additions	4,652	4,652
At 31 December 2007	<u>178,888</u>	<u>178,888</u>
Depreciation		
At 1 January 2007	98,338	98,338
Charge for the year	36,748	36,748
At 31 December 2007	<u>135,086</u>	<u>135,086</u>
Net book values		
At 31 December 2007	<u>43,802</u>	<u>43,802</u>
At 31 December 2006	<u>75,898</u>	<u>75,898</u>

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

Asset description	2007		2006	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Plant and machinery	<u>4,191</u>	<u>4,572</u>	<u>9,144</u>	<u>4,572</u>

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2007

continued

8. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2007		
At 31 December 2007	100	100
Net book values		
At 31 December 2007	100	100
At 31 December 2006	100	100

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	199	24

9. Debtors	2007 £	2006 £
Trade debtors	298	1,765
Amounts owed by group undertakings	40,729	27,163
Other debtors	31,081	50,506
	<u>72,108</u>	<u>79,434</u>

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2007

continued

10. Current asset investments	2007	2006
	£	£
Other unlisted investments	<u>132,980</u>	<u>123,645</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	2007	2006
	£	£
Net obligations under finance leases and hire purchase contracts	4,191	4,572
Trade creditors	81,608	65,065
Corporation tax	1,494	1,642
Other taxes and social security costs	8,976	-
Other creditors	44,152	57,207
	<u>140,421</u>	<u>128,486</u>

12. Creditors: amounts falling due after more than one year	2007	2006
	£	£
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>4,191</u>

13. Equity Reserves	Training & Development Fund	Gifted Children Fund	Accumulated Fund	Intellectual Activity Fund	Total
	£	£	£	£	£
At 1 January 2007	6,427	10,693	133,567	7,882	158,569
Retained profit/(loss) for the year			8,176		8,176
Other movements	(1,430)	-	2,352	(922)	-
At 31 December 2007	<u>4,997</u>	<u>10,693</u>	<u>144,095</u>	<u>6,960</u>	<u>166,745</u>

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2007

continued

14. Reconciliation of movements in members' funds	2007	2006
	£	£
Profit/(loss) for the year	8,176	(8,045)
Opening members' funds	158,569	166,614
Closing members' funds	<u>166,745</u>	<u>158,569</u>

15. Financial commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Expiry date:				
Within one year	-	-	-	14,680
Between one and five years	-	-	15,715	3,133
In over five years	13,000	13,000	-	-
	<u>13,000</u>	<u>13,000</u>	<u>15,715</u>	<u>17,813</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 2007, Mensa Publications Limited had shareholder funds of £199.

18. Related party transactions

Recharges of general administrative services of £80,921 (2006 - £43,332) were made to Mensa Publications Limited during the year. At 31 December 2007 the company was owed £40,729 (2006 - £27,163) by Mensa Publications Limited.

British Mensa Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2007

continued

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 2007 was 23,462 (2006 - 24,012)

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 2007

	2007		2006	
	£	£	£	£
Income				
Subscriptions		740,079		777,922
Testing Income		93,020		69,394
Mensa Events		61,509		64,031
Advertising		1,159		2,517
Sundries		6,140		2,448
		<u>901,907</u>		<u>916,312</u>
Operational costs	493,867		519,278	
Administrative expenses	<u>401,668</u>		<u>408,189</u>	
		(895,535)		(927,467)
Operating profit/(loss)	0%	6,372	1%	(11,155)
Other income and expenses				
Interest receivable				
Bank deposit interest	<u>4,468</u>		<u>5,422</u>	
		4,468		5,422
Interest payable				
HP interest and fin lease charges	<u>1,782</u>		<u>1,782</u>	
		(1,782)		(1,782)
Net profit/(loss) for the year		<u><u>9,058</u></u>		<u><u>(7,515)</u></u>

British Mensa Limited
Company limited by guarantee

Operational costs and administrative expenses
for the year ended 31 December 2007

	2007	2006
	£	£
Operational costs		
Mensa Directors' operational overheads	8,910	12,505
AGM costs	10,786	16,238
Magazine costs	261,417	251,608
Bright Sparks magazine costs	-	1,239
Regional Newsletter costs	20,821	23,242
Membership costs	12,648	16,860
Credit card charges	5,962	5,618
Recruitment costs	53,267	61,921
Advertising costs	-	1,100
Regional development	19,116	13,610
Special Interest Group costs	32,945	39,071
Procedures Body costs	569	1,360
Other British Mensa Officials costs	1,320	2,145
Promotional costs	1,460	932
Event costs	59,884	63,036
Intellectual Activity Fund	922	1,000
Training & Development Fund	1,430	3,151
Legal and consultancy fees	2,410	4,642
	<u>493,867</u>	<u>519,278</u>
Administrative expenses		
Wages and salaries	260,467	260,239
Employer's NI contributions	25,482	25,840
Staff money purchase pension costs	15,279	14,920
Management recharge to Mensa Publications Limited	(80,921)	(43,332)
Premises Costs	38,467	32,027
Insurance	8,037	7,969
Leasing of plant and machinery	23,971	20,686
Maintenance and development of equipment	38,393	21,721
Printing, postage, telephone and stationery	21,691	20,234
Travel and subsistence	3,244	6,490
Audit	5,250	5,250
Bank charges	4,420	4,099
Credit card charges	60	-
Exchange rate variances	(113)	(882)
General expenses	1,193	2,252
Depreciation	36,748	30,676
	<u>401,668</u>	<u>408,189</u>