

British Mensa Limited
Company Limited by Guarantee
Financial Statements
31 December 2016

DAW WHITE MURRALL
Chartered accountant & statutory auditor
1 George Street
Snow Hill
Wolverhampton
WV2 4DG



British Mensa Limited
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2016

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the members	4
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed income statement	15

British Mensa Limited
Company Limited by Guarantee
Officers and Professional Advisers

The board of directors

C Leek
A Rootkin
R Crocker
C Cooper
J Sidebottom
K Leek
J Gill
A Pajor

Company secretary

J Stevenage

Registered office

St John's House
St John's Square
Wolverhampton
West Midlands
WV2 4AH

Auditor

Daw White Murrall
Chartered accountant & statutory auditor
1 George Street
Snow Hill
Wolverhampton
WV2 4DG

Bankers

Barclays Bank Plc
Wolverhampton Business Centre
PO Box 5
Queens Square
Wolverhampton
WV1 1DS

British Mensa Limited
Company Limited by Guarantee
Directors' Report
Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Directors

The directors who served the company during the year were as follows:

C Leek
A Rootkin
R Crocker
C Cooper
J Sidebottom
K Leek
J Gill
A Pajor
J Davis (Resigned 2 September 2016)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

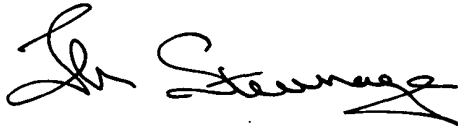
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

British Mensa Limited
Company Limited by Guarantee
Directors' Report *(continued)*
Year ended 31 December 2016

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 7 May 2017 and signed on behalf of the board by:



J Stevenage
Company Secretary

Registered office:
St John's House
St John's Square
Wolverhampton
West Midlands
WV2 4AH

British Mensa Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of British Mensa Limited

Year ended 31 December 2016

We have audited the financial statements of British Mensa Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's 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 auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

British Mensa Limited

Company Limited by Guarantee

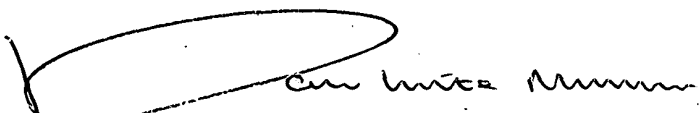
Independent Auditor's Report to the Members of British Mensa Limited (continued)

Year ended 31 December 2016

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Ian Gregory (Senior Statutory Auditor)

For and on behalf of
Daw White Murrall
Chartered accountant & statutory auditor
1 George Street
Snow Hill
Wolverhampton
WV2 4DG

7 May 2017

British Mensa Limited
Company Limited by Guarantee
Statement of Income and Retained Earnings
Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		961,488	929,636
Gross profit		961,488	929,636
Distribution costs		483,318	479,274
Administrative expenses		410,936	434,912
Operating profit		67,234	15,450
Other interest receivable and similar income		1,437	976
Profit before taxation	7	68,671	16,426
Tax on profit		290	195
Profit for the financial year and total comprehensive income		68,381	16,231
Retained earnings at the start of the year (as previously reported)		151,903	114,990
Effects of changes in accounting policies		–	20,682
Retained earnings at the start of the year (restated)		151,903	135,672
Retained earnings at the end of the year		220,284	151,903

All the activities of the company are from continuing operations.

The notes on pages 8 to 13 form part of these financial statements.

British Mensa Limited
Company Limited by Guarantee
Statement of Financial Position
31 December 2016

	Note	2016 £	£	2015 £
Fixed assets				
Investments	9		100	100
Current assets				
Stocks		526		305
Debtors	10	91,228		72,928
Investments	11	126,491		125,070
Cash at bank and in hand		143,551		92,216
		<u>361,796</u>		<u>290,519</u>
Creditors: amounts falling due within one year	12	<u>141,612</u>		<u>138,716</u>
Net current assets			<u>220,184</u>	<u>151,803</u>
Total assets less current liabilities			<u>220,284</u>	<u>151,903</u>
Capital and reserves				
Profit and loss account			<u>220,284</u>	<u>151,903</u>
Members funds			<u>220,284</u>	<u>151,903</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 7 May 2017, and are signed on behalf of the board by:



C Cooper
Director

Company registration number: 00971663

The notes on pages 8 to 13 form part of these financial statements.

British Mensa Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 December 2016

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is St John's House, St John's Square, Wolverhampton, West Midlands, WV2 4AH.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

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.

Special interest groups

Money received from members for Special Interest Groups, to the extent to which it has not been expended, is treated as refundable and included in creditors.

Ordinary reserve

Minimum reserves are reviewed annually and set as appropriate, current minimum is £200,000.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

British Mensa Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

3. Accounting policies *(continued)*

Revenue recognition

Turnover represents the total invoice value, excluding Value Added Tax, of sales made during the year from the provision of services within the company's ordinary activities.

Membership subscriptions are measured at the fair value of the consideration due and represents amounts received, stated net of membership discounts and of Value Added Tax. All subscriptions are recognised in the financial statements when the money is received.

Revenue from Testing is recognised when the test is booked and paid for.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

British Mensa Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

British Mensa Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

3. Accounting policies *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

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.

4. 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 2016 was 19,856 (2015: 20,855)

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

5. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>5,750</u>	<u>5,750</u>

6. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 12 (2015: 11).

British Mensa Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

7. Profit before taxation

Profit before taxation is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	<u>—</u>	<u>803</u>

8. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 Jan 2016 and 31 Dec 2016	<u>21,989</u>	<u>207,881</u>	<u>229,870</u>
Depreciation			
At 1 Jan 2016 and 31 Dec 2016	<u>21,989</u>	<u>207,881</u>	<u>229,870</u>
Carrying amount			
At 31 December 2016	<u>—</u>	<u>—</u>	<u>—</u>

9. Investments

	Shares in group undertakings £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>100</u>
Impairment	
At 1 Jan 2016 and 31 Dec 2016	<u>—</u>
Carrying amount	
At 31 December 2016	<u>100</u>

10. Debtors

	2016	2015
	£	£
Trade debtors	55	—
Amounts owed by group undertakings	59,752	44,269
Other debtors	31,421	28,659
	<u>91,228</u>	<u>72,928</u>

British Mensa Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

11. Investments

	2016 £	2015 £
Other investments	<u>126,491</u>	<u>125,070</u>

Current asset investments are cash balances held on deposit.

12. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	39,065	44,048
Corporation tax	290	195
Social security and other taxes	6,362	5,804
Other creditors	<u>95,895</u>	<u>88,669</u>
	<u>141,612</u>	<u>138,716</u>

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Not later than 1 year	–	11,685
Later than 1 year and not later than 5 years	<u>29,549</u>	<u>29,549</u>
	<u>29,549</u>	<u>17,864</u>

14. Contingencies

There are no material contingent liabilities.

15. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by	
	2016 £	2015 £	2016 £	2015 £
Mensa Publications Limited	<u>37,692</u>	<u>41,654</u>	<u>59,752</u>	<u>44,269</u>

Transactions noted above are recharges of general administrative services made to Mensa Publications Limited during the year.

British Mensa Limited
Company Limited by Guarantee
Management Information
Year ended 31 December 2016

The following pages do not form part of the financial statements.

British Mensa Limited
Detailed Income Statement
Year ended 31 December 2016

	2016 £	2015 £
Turnover		
Subscriptions	794,440	792,211
Testing Income	88,171	71,255
Mensa Events	73,961	61,791
Advertising	911	1,188
Sundries	4,005	3,191
	<u>961,488</u>	<u>929,636</u>
Distribution costs		
Mensa Directors' operational overheads	11,204	9,653
AGM costs	6,594	5,562
Magazine costs	233,436	229,726
Regional Newsletter costs	21,328	21,228
Membership costs	22,214	28,238
Recruitment costs	56,824	54,400
Special Interest Group costs	24,619	31,503
Procedures Body costs	161	719
Other costs	80,066	66,033
Professional charges	5,071	6,736
Regional development	21,801	25,476
	<u>483,318</u>	<u>479,274</u>
Administrative expenses		
Wages and salaries	268,500	252,142
Employers national insurance contributions	20,178	19,597
Staff pension contributions	13,929	13,549
Management recharge to Mensa Publications Limited	(37,692)	(41,654)
Travel and subsistence	4,277	2,725
Premises Costs	54,516	92,953
Insurance	5,327	6,324
Leasing of plant and machinery	18,381	21,190
Maintenance and development of equipment	43,158	40,734
Printing, postage, telephone and stationery	11,053	11,198
General expenses (allowable)	1,210	1,640
Bank charges	5,933	5,639
Exchange rate variances	(3,584)	2,322
Auditors remuneration	5,750	5,750
Depreciation of tangible assets	-	803
	<u>410,936</u>	<u>434,912</u>
Operating profit	67,234	15,450
Other interest receivable and similar income	1,437	976
Profit before taxation	<u>68,671</u>	<u>16,426</u>