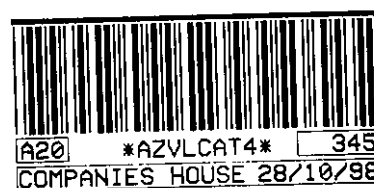


Mensa International Limited
Directors' Report
and Financial Statements
for the year ended 31st March 1998



Mensa International Limited

Company Information

Directors

C Sinclair (UK) (Resigned on 01/11/1997)
C Schneider (UK) (Resigned on 30/06/1997)
D Remine (USA)
G Zwanenburg (The Netherlands)
U Schultz (Germany)
N Goulder (UK) (Resigned on 22/08/1997)
Art Mattson (Appointed on 10/09/97)
Annette Kunz (Appointed on 01/07/97)

Secretary

E J Vincent

Company Number

848100

Registered Office

15 The Ivories
6 - 8 Northampton Street
London N1 2HY

Auditors

Fancett & Company
22 Cross Street
London
N1 2BG

Mensa International Limited

Directors' Report

for the year ended 31st March 1998

The directors present their report and the financial statements for the year ended 31st March 1998.

Principal Activity and Review

The principal activity of the company was the international promotion of the affairs of Mensa and all related associations and companies.

Results

The results for the year are set out on page 3.

It is proposed that the deficit of £1819 is charged to reserves.

Fixed Assets

Full disclosure of all matters relating to fixed assets are set out in notes 7 to 8 of the financial statements.

Directors and their Interests

The directors who served during the year are as stated below:

C Sinclair (UK) (Resigned on 01/11/1997)

C Schneider (UK) (Resigned on 30/06/1997)

D Remine (USA)

G Zwanenburg (The Netherlands)

U Schultz (Germany)

N Goulder (UK) (Resigned on 22/08/1997)

Art Mattson (Appointed on 10/09/97)

Annette Kunz (Appointed on 01/07/97)

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 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 based on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985, they are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Fancett & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 17.08.98 and signed on its behalf by

E J Vincent
Secretary



Mensa International Limited

Auditors' Report to the shareholders of Mensa International Limited

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at the 31st March 1998 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fancett & Co.

Fancett & Company

Chartered Accountants and
Registered Auditor

22 Cross Street
London
N1 2BG

...17/8/98.....

Mensa International Limited

Income and Expenditure Account
for the year ended 31st March 1998

		Continuing operations	
		1998	1997
	Notes	£	£
Income	2	152,537	172,067
Gross profit		152,537	172,067
Administrative expenses		(165,587)	(171,193)
Operating (deficit)/surplus	3	(13,050)	874
Interest and similar income	4	14,217	17,331
Surplus on ordinary activities before taxation		1,167	18,205
Tax on surplus on ordinary activities	6	(2,986)	(4,159)
(Deficit)/Surplus on ordinary activities after taxation		(1,819)	14,046
Retained (deficit)/surplus for the year		(1,819)	14,046

There are no recognised gains and losses other than the surplus or deficit for the above two financial years.

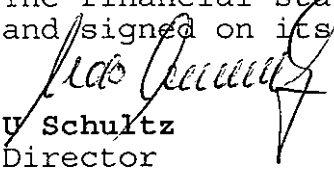
Total recognised losses/gains relating to the year	(1,819)	14,046
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The notes on pages 5 to 10 form an integral part of these financial statements.

Mensa International Limited
Balance Sheet
as at 31st March 1998

	Notes	£	1998 £	£	1997 £
Fixed Assets					
Intangible assets	7		1		270
Tangible assets	8		2,200		1,440
Investments	9		100		100
			<u>2,301</u>		<u>1,810</u>
Current Assets					
Debtors	10	27,617		21,897	
Cash at bank and in hand		239,210		256,115	
		<u>266,827</u>		<u>278,012</u>	
Creditors: amounts falling due within one year	11	(5,155)		(14,030)	
Net Current Assets			<u>261,672</u>		<u>263,982</u>
Total Assets Less Current Liabilities			263,973		265,792
Creditors: amounts falling due after more than one year	12		(11,523)		(11,523)
Net Assets			<u>252,450</u>		<u>254,269</u>
Reserves					
Other reserves	13		20,595		20,595
General Reserve	13		231,855		233,674
Total Reserves	14		<u>252,450</u>		<u>254,269</u>

The financial statements were approved by the Board on 17-08-98.....
and signed on its behalf by


U Schultz
Director


G Zwanenburg
Director

The notes on pages 5 to 10 form an integral part of these financial statements.

Mensa International Limited
Notes to the Financial Statements
For the year ended 31st March 1998

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover segments (components) are dealt with on an amounts receivable basis for British Mensa & American Mensa. Other bodies are on a cash received basis.

1.3 Licence, Name & Logo

The licence, name and logo are included at cost less amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 5 years.

1.4 Tangible fixed assets and depreciation

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

Computer Equipment	-	33% Straight Line
Fixtures, fittings and equipment	-	20% Straight Line

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits as incurred.

1.5 Investments

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

1.6 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.

1.7 Consolidated accounts

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

Mensa International Limited
Notes to the Financial Statements
For the year ended 31st March 1998

2. Income
before Taxation

The total income of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

Class of business	Turnover	
	1998 £	1997 £
Component Income	149,001	167,651
International subscriptions	3,971	1,993
Test fees, journal revenue and royalties	(435)	2,423
	<u>152,537</u>	<u>172,067</u>

Geographical source	Component	
	1998 £	1997 £
USA	74,232	91,349
United Kingdom and Ireland	56,255	58,586
Canada	1,977	3,040
Australia	-	1,539
France	2,255	-
New Zealand	425	252
Channel Islands	284	171
Sweden	636	333
Germany	2,657	4,201
Finland	345	1,313
Netherlands	1,741	1,966
Malaysia	208	740
South Africa	476	631
Austria	470	-
Denmark	1,682	491
Italy	189	519
Hong Kong	-	208
Singapore	2,602	968
Poland	-	60
Spain	345	-
Switzerland	187	180
Belgium and Luxembourg	684	454
Colombia	100	-
Bulgaria	59	47
Czech Republic	626	507
Hungary	316	-
India	62	-
Slovakia	188	96
	<u>149,001</u>	<u>167,651</u>

Mensa International Limited
Notes to the Financial Statements
For the year ended 31st March 1998

3.	Operating (deficit)/surplus	1998 £	1997 £
	Operating (deficit)/surplus is stated after charging:		
	Depreciation of intangible assets	269	2,000
	Depreciation of tangible assets	2,540	1,880
	Profit on foreign currency exchange	(1,162)	4,068
	Auditors' remuneration	1,500	1,500
	Auditors' remuneration from non audit work	500	500

4.	Interest and similar income	1998 £	1997 £
	Bank interest	14,217	17,331
		<u>14,217</u>	<u>17,331</u>

5. Employees

Number of employees

The average weekly number of employees during the year was:

	1998 Number	1997 Number
Administration	3	3
	<u>3</u>	<u>3</u>

Employment costs

	1998 £	1997 £
Wages and salaries	63,730	64,947
	<u>63,730</u>	<u>64,947</u>

5.1 Directors' emoluments

No salaries were paid to directors during the year.

6.	Taxation	1998 £	1997 £
	U.K. Current year taxation		
	U.K. Corporation tax at 21% (1997 - 24%)	2,986	4,159
		<u>2,986</u>	<u>4,159</u>

Mensa International Limited
Notes to the Financial Statements
For the year ended 31st March 1998

7. Intangible fixed assets

	Licence £	Name and Logo £	Total £
Cost			
At 1st April 1997 & at 31st March 1998	10,269	1	10,270
Provision for diminution in value			
At 1st April 1997	10,000	-	10,000
Charge for year	269	-	269
at 31st March 1998	10,269	-	10,269
Net book value			
At 31st March 1998	-	1	1
At 31st March 1997	269	1	270

8. Tangible assets

	Computer & machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1st April 1997	2,095	16,044	18,139
Additions	3,300	-	3,300
At 31st March 1998	5,395	16,044	21,439
Depreciation			
At 1st April 1997	-	14,604	14,604
On disposals	2,095	-	2,095
Charge for the year	1,100	1,440	2,540
At 31st March 1998	3,195	16,044	19,239
Net book values			
At 31st March 1998	2,200	-	2,200
At 31st March 1997	2,095	1,440	3,535

9. Investments

	Subsidiary Undertakings Shares £	Total £
Cost		
At 1st April 1997 & At 31st March 1998	100	100
Net Book Values		
At 31st March 1998	100	100

Mensa International Limited
Notes to the Financial Statements
For the year ended 31st March 1998

9.1 Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertaking			
Intermensa Limited	United Kingdom	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 for the year £
Intermensa Limited	100	-

10. Debtors

	1998 £	1997 £
Debtors	18,471	4,972
Loan to British Mensa	-	15,275
Other debtors	9,146	1,650
	<u>27,617</u>	<u>21,897</u>

11. Creditors: amounts falling due
within one year

	1998 £	1997 £
Corporation tax	2,171	4,159
Other taxes and social security costs	89	2,811
Accrual for legal fees	-	1,896
Accruals and deferred income	2,080	5,164
	<u>4,340</u>	<u>14,030</u>

FAILED VALIDATION

12. Creditors: amounts falling due
after more than one year

	1998 £	1997 £
Taxation reserve	11,523	11,523
	<u>11,523</u>	<u>11,523</u>

Mensa International Limited
Notes to the Financial Statements
For the year ended 31st March 1998

13. Reserves

	General Reserve	Election Reserve	Name Protection Reserve	Total
	£	£	£	£
At 1st April 1997	233,674	18,300	2,295	254,269
Retained (deficit)/surplus for the year	(1,819)			(1,819)
At 31st March 1998	<u>231,855</u>	<u>18,300</u>	<u>2,295</u>	<u>252,450</u>

14. Reconciliation of movements in reserves

	1998 £	1997 £
(Deficit)/Surplus for the year	(1,819)	14,046
Net movement in reserves	(1,819)	14,046
Opening balance on reserves	254,269	240,223
	<u>252,450</u>	<u>254,269</u>