

THE COMMON PURPOSE CHARITABLE TRUST
(A company limited by guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

Company registered number: 2832875
Charity registered number: 1023384

THE COMMON PURPOSE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2022

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COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

The trustees of The Common Purpose Charitable Trust (“Common Purpose”, “the Trust” or “CPCT”) are pleased to present their group annual report together with the audited financial statements for the year ended 31 July 2022 which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice - Accounting and Reporting by Charities (Second Edition, effective 1 January 2019).

1. Chair’s report

This year we have had to operate in a world facing many challenges - the continuing COVID-19 pandemic, the war in Ukraine, rising inflation, the energy crisis, disruption of supply chains and the issue of climate change. These factors have combined to create the most difficult business and operating environment for many years.

This has all brought into even sharper focus both the need for Common Purpose and also the value of what we provide. The need for leaders who can operate across boundaries has never been greater. This continues to manifest itself in the significant and continued demand for our programmes, as funding organisations and participants understand that incisive, cross sector and intergenerational leadership can make a material difference.

At the same time, the extent of these challenges has required as to further adapt how we manage the business and continue to grow and develop what we do. The way in which the organisation and our staff responded to these challenges has demonstrated a continued commitment to our purpose and core values. It also reflects a resilient and agile organisation.

Against this background our strategy has continued to serve us well. We have successfully innovated by designing new products in response to the needs of the market and especially looked at our strategy and resource base. The objectives we set ourselves last year have also been largely met.

Our strategy reflects what our clients, participants and other stakeholders say will help them not just to survive but to thrive as they prepare for the future. On the following pages we have set out some of the key achievements of each company and each business unit within the group.

We have made significant progress in meeting our core objectives. In particular:

- another 10,382 people participated in Common Purpose courses, taking our total alumni to over 113,023
- 704 people attended our flagship course, The Common Purpose Programme (TCPP)
- in our main measures of the quality of what we provide to participants:
 - 89% of our participants would recommend a Common Purpose programme to a friend or colleague
 - 83.5% of our participants come away with broader horizons
 - 84% of our participants come away with more inclusive approach
 - 80% of our participants come away with a more collaborative approach
- we recruited 22 new members of staff, in particular building our skills and capabilities in the areas of effective line management and inclusive leadership
- we have also invested time and resources over the last 12 months in developing our online offering, and the necessary IT, videographic and content production that support this, as we continue to refocus on how we best deliver to a digital marketplace and develop content and delivery mechanisms which are fit for the future.

These actions have helped both strengthen the quality of what we provide and the capabilities of our staff in being able to meet the needs of our clients.

This year we have also continued to adapt our ways of working as we adjust following the pandemic, for example, by allowing staff to adopt flexible or hybrid working options. We have also sought to provide remuneration packages which are competitive in the sector and markets in which we operate and to develop a culture which inspires, builds creativity and provides resilience in the face of difficult business conditions.

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This year our financial performance has been to return a surplus of £28k. While our retained profit for the year is lower than last year, we consider our reserves remain at an appropriate level for the organization at £1,586k.

Finally, a thank you from all the trustees for the continued efforts and commitment of all our staff during the year, and to our clients and all the other stakeholders with whom we interact for their ongoing financial and other support without which we could not succeed.

Signed:

DocuSigned by:

77AF7979AC74DA...
David Grace
Chair, CPCT

DocuSigned by:

378B34CBBE0F4DE...
Adirupa Sengupta
Group Chief Executive Officer

2. About Common Purpose

CPCT is the parent company in a group structure. Much of the Trust's activities are carried out through its subsidiary organisations:

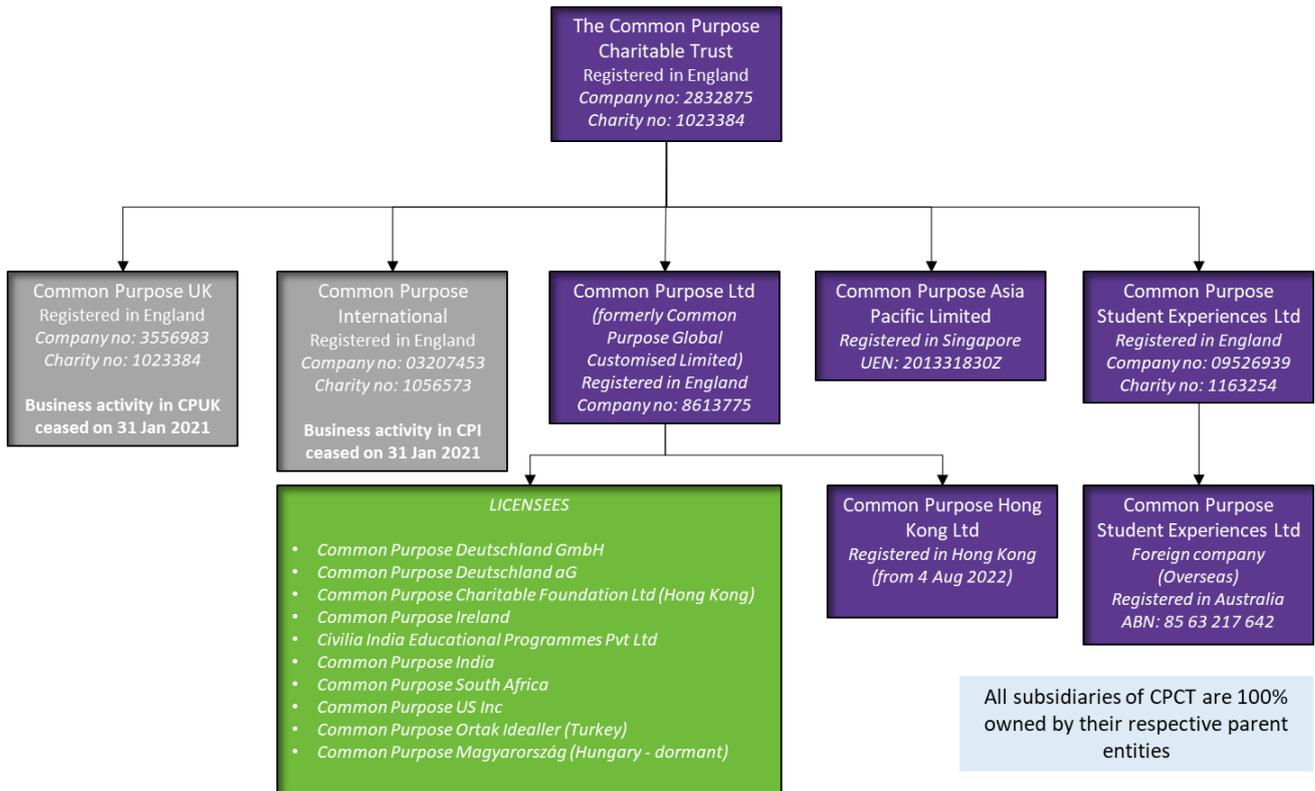
- Common Purpose Limited (CPL - formerly Common Purpose Global Customised Limited), a trading company registered in England which manages the group's international licensing arrangements, the provision of services to licensees and delivers open and customised courses to global clients. CPL is a wholly owned subsidiary of CPCT. CPL began the process of acquiring the shares of Civilia India Educational Programmes Pvt Ltd (CIEP, an Indian licensee) during the year. At the time of approving these accounts, the acquisition was not complete and as a result, CIEP's figures have not been consolidated into these accounts
- Common Purpose Asia-Pacific Limited (CPAPL), a charity registered in Singapore that runs two major open programmes in its region and delivers customised programmes to major corporate entities in Singapore and southeast Asia
- Common Purpose Student Experiences Limited (CPSE), a charity registered in England which provides leadership programmes for students from leading universities around the world. CPSE operates a branch (Foreign Company (Overseas)) in Australia.
- Common Purpose UK (CPUK) and Common Purpose International (CPI), both charities registered in England both ceased trading on 31 July 2021. Their business activities have been transferred to CPL and CPCT

CPCT licenses entities in several countries to deliver Common Purpose programmes in their respective countries. Summary information on each organisation and licensees is shown later in this report.

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The Trust was established as a charity in 1989 and is registered with the Charity Commission under the Registered Charity number 1023384.

3. The role of the Trust

In addition to its own activities, the Trust oversees the activities carried out through its subsidiary organisations, and is responsible for:

- The overall strategic direction of the group
- Safeguarding the brands, intellectual property, web domain names and trademarks
- Supporting the global alumni offering
- Developing new international opportunities.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

4. Our purpose and activities

The purpose of the Trust is to drive social purpose and have a positive and sustained impact on the quality of leadership by:

- convening leaders across sectors and from all backgrounds so that they learn to cross boundaries and see how diversity brings fresh perspectives and sparks innovation
- delivering experiential leadership development to people across our chosen sectors, and
- ensuring that programme participants understand how to apply their learning back in society and the workplace.

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The vision that shapes our work is to give people from different sectors, backgrounds and generations the inspiration, skills and connections to become better leaders, both at work and in society. We run local and global programmes in cities across the world for thousands of leaders each year from over 100 countries across six continents.

The strategies we employ to achieve our aims and objectives are to:

- design and deliver programmes for different cohorts of leaders, based on their needs, interests and role in the community,
- develop content and curriculum
- work with partners to support wider participation in leadership development
- maintain an extensive and active alumni network to help with continued leadership development of those completing our programmes.

5. Achievements and performance

The objectives for the year were formulated amidst continuing uncertainty in relation to the impacts of the global COVID-19 pandemic. Our plans included:

- continuing to consolidate and scale up our major partnerships so that we can deliver social outputs through our programmes (such as the American Express Leadership Academies)
- deepening our relationships with key clients to deliver more customised work both in and beyond the UK and Singapore (with global players such as Barclays, and BNP Paribas)
- focusing on profitability across all business units and companies within the group, ensuring negative reserves in any company were eliminated
- focusing on our people to ensure that we could attract, retain talent and incentivize staff
- explore options for targeted investment in new products based on client demand

The impacts of COVID-19 started to ameliorate during the year. Based on client demand, we began to offer in-person programmes again during the second half of the year. While our main open programmes (The Common Purpose Programme) remained fully online, other programmes saw a more mixed take up of in-person offerings, particularly in the final few months of the financial year.

The financial results are set out in the review of financial activities in paragraph 8 below. Details of the impact of individual companies within the group are set out in the sections immediately following.

For more details visit our website: www.commonpurpose.org

6. Plans for 2022/23

We currently expect to continue to deliver a mix of online and in-person programmes during the coming year, with interest in blended, hybrid learning emerging as the impact of the COVID pandemic continues to wane and acceptance of online learning grows.

Our core open programme, TCPP, will continue to run in most of our geographies. The two global senior leaders' programmes, January and ASEAN Leadership Programme, will also continue. While these programmes were run very successfully during 2020/21, we saw lower demand for places as participants were looking for more local offerings.

We expect our Student programmes to increasingly move back to in-person from online, and we are expecting to start delivering programmes for university staff in addition to those for students.

We have decided to explore whether Common Purpose should develop an offering in education technology. This initiative will be developed to minimal viable product stage during the first half of 2022/23, after which we will decide whether to take it to market. Preliminary interest from clients suggests this will be a welcome offering.

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We intend to deliver further American Express Leadership Academies but will be working closely with the American Express Foundation on re-scoping and re-designing these to continue to attract participants from as wide a field as possible.

Our work with MAVA will end in October 2022 as the fund is wound up. We expect to continue to focus on environment-related work, some of which we expect to emerge from our long association with MAVA. After a year of piloting a new environmental programme, we will also continue to develop our SkyBlue programme focused on environmental leadership.

7. Performance and plans of individual subsidiaries

7.1. Common Purpose Limited

Objectives for the year

The key objectives for 2021/22 were to:

- to build on already established and key relationships in other parts of Common Purpose to maximise interest in customised work globally, particularly focusing on the Middle East and South Asia
- continue to grow the UK business by expanding the reach of our key open programme, TCPP
- to keep up with market trends in the company's sector and align IT systems internally and externally to enhance the online experience for our staff, customers, participants and alumni community.

Review of activities

a) *UK Business Unit*

The UK business unit ran TCPP, its online programme for emerging leaders and senior leaders a total of 12 times during the year. Although it was run fully online, cohorts on programmes were drawn from three broad geographic areas: London, the Midlands and the South-West; the Northern Powerhouse; and Scotland and Northern Ireland.

The programmes reached 529 participants, in comparison to 535 participants on the online programmes in 2020/21. Full bursary places were offered to 100 participants with a particular emphasis on investing in Black, Asian and Minority Ethnic participants.

The UK business unit's place-based Legacy programme for young leaders continued to go from strength to strength, running seven programmes in five locations during the year involving 347 young people.

The Bitesize product, which gives buyers a cost-effective way of testing our approach, continued to provide an effective entry point for organizations into the wider customized offer. The UK business unit also delivered customized programmes for a range of clients, including Bradford City Council, Newcastle Hospitals, Asthma and Lung Foundation UK, the Scottish Government, Newcastle University, the Environment Agency.

b) *EMESA*

The EMESA business unit is responsible for delivering customized programmes for large commercial organizations, together with the flagship January global programme. In 2021/22, it reached 1,419 participants. The company continued to deliver most of its programmes online, however in response to customer demand, in-person programmes began to make a come-back in the second half of the year.

c) *IT and Support*

The company continued to provide services to its fellow subsidiaries set out above and to licensees in the UK, Ireland, Germany, Hong Kong, Hungary, South Africa, India, Turkey and the US.

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The company made a loss in 2021/22 of £7.9k (2020/21: profit of £358.6k). The company's turnover increased significantly to £2,117.4k from £1,743k in 2020/21, but salary and delivery costs also increased, more than offsetting the increase in revenue. The results reflect the impact of the business re-organization in January 2021, where with income and costs from CPUK started to be booked in the company from February 2021.

The company's loss for the year marks a small setback for the business but reflects disappointing sales in the January programme and lower than budgeted revenue from large corporates.

- Income from open programmes (first full year post re-organization) was £903.5k (2020/21: £346.8k)
- Income from customised courses rose to £974.4k (2020/21: £1,034.1k)
- Income from licensees of Common Purpose and from other sources fell to £239.4k (2020/21: £362.1k)

The UK business unit saw a strong positive result on open programmes, however income from customized programmes was 20% below budget.

The salary cost to the company rose to £924k from £525k in 2020/21 due to including a full year of salary for the UK team (in 2020/21, only six months was booked in the company). The company's cost of delivering programmes increased to £404k from £357.4k in 2020/21. This cost is made up of programme delivery costs such as venue hire and staff travel (£66.8k compared to £18k in 2020/21) and the cost of using staff from the central delivery team (£180.4k compared to £115.6k in 2020/21).

Overhead costs increased by 37% to £190.9 from £120.7k as travel increased towards the end of the year and the company met the costs of staff in India who moved under this business unit.

The company repaid the outstanding balance in November 2021 of the loan provided by its parent in 2016.

Plans for 2022/23

The company will continue to focus on its existing key areas:

- to build on the success of 2021/22 and continue to make CPL the engine of growth for Common Purpose
- to build on the already established and key relationships in other parts of the organization to grow customised work globally and to focus in particular on the Middle East and South Asia
- to continue to grow the UK business by expanding the reach and success of the key open programme, TCCP as well as delivering organizational solutions work to corporates
- to continue to keep up with the market trends in the company's sectors and align IT systems and processes internally and externally
- to deliver genuine digital transformation and enhance online experience for our staff, customers, participants and the company's alumni community.

7.2. Common Purpose Student Experiences Ltd

Common Purpose Student Experiences focuses on developing the next generation of inclusive leaders with Cultural Intelligence (CQ): the ability to cross boundaries and thrive in multiple cultures. We collaborate with universities to deliver our co-curricular leadership programmes. These programmes offer a cutting-edge CQ pedagogy with powerful experiential learning techniques, equipping students with CQ to thrive in the world today. They enable universities to complement existing offerings and meet key institutional objectives.

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Objectives for the year

The key objectives for 2021/22 were to:

- continue delivering our full suite of online programmes, and to develop new online programmes, to ensure that at even at a time of social distancing students can still benefit from our programmes
- as and when circumstances allow, running in-person programmes where our university partners choose to revert back from online delivery – both as GLE Home programmes (i.e. run domestically in their own cities) or GLE Abroads (run in cities in different countries to the host university)
- expand our portfolio of university partners for programmes to include the US, Canada, UAE and Malaysia
- by the end of the financial year, having over 9,000 students completed our in-person and online programmes – of which 75% go on to successfully earn the associated micro-credential.

Review of activities

The pandemic continued to impact programming in different ways, times and locations across the whole financial year. At the start of the financial year on 1 August 2021, we were planning an increasing number of in-person programmes for UK universities to take place in the autumn term and either side of Christmas. The arrival of the Omicron variant meant that we had to pivot these programmes back to digital delivery. Given the innovation we had driven in the financial year, we were well-placed to make these adjustments and continue to support our clients and their students. The continued COVID restrictions in Australia and Hong Kong meant that we continued to deliver online in these countries for most of the financial year, with only a few opportunities to run parts of programmes in-person.

As conditions eased during the northern hemisphere spring of 2022, we were able to plan the return of our in-person outbound programmes for the summer and were very pleased to see those go through to successful delivery. We took UK students to Bangalore and Istanbul, and South Korean students to the UK, as well as being able to run a range of in-person programmes for students in the UK.

We were able again this year to continue to innovate, giving us the flexibility to offer in-person and online programmes, and ensuring that large numbers of students were able to benefit from our programmes. Across the year 6,552 students completed our programmes, 2,407 on asynchronous courses, 3,766 on synchronous online programmes and 379 on synchronous in-person programmes. Against continuing difficult and volatile economic conditions, we have also been able to deliver a financial surplus for 2021/22.

We measure the students' development of key leadership skills as the core metric of our programme's success and efficacy. Through attending our programmes, our participants reported that:

- through deepening their understanding of other cultures they became more Empathetic
- through working with difference they became more Agile
- through living with ambiguity they became more Open
- through solving complex problems they became more Influential.

We combine these skills to measure two core competencies, aiming for an average response of 5 or more out of 6 for each across the year (6 being excellent development of the competency and 1 being very poor). Participants gave the following average scores, meaning we are pleased to have exceeded this target over the year across all competencies:

- become more inclusive leaders: 5.01 out of 6
- operate with broader horizons: 5.14 out of 6

In addition, we now ask students if they would recommend the programme to others, again aiming for an average score of 5 or more out of 6 (6 being highly recommended). We are delighted to report an average score of 5.31 across the year, showing the value the students place in their experience with us.

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Plans for 2022/23

The company will to focus on its existing key areas:

- continuing to run in-person programmes where our university partners choose to revert back from online delivery – both as GLE Home programmes (i.e. run domestically in their own cities) or GLE Abroads (run in cities in different countries to the host university)
- continuing to offer virtual high-touch synchronous programmes to our university partners who choose to continue with online delivery
- expanding our Turing programme offering to include more university partners for summer 2023
- expanding our portfolio of university partners for programmes to include the US and Canada
- expanding our portfolio to offer more staff development programmes to our university partners
- by the end of the financial year, having over 9,000 students complete our in-person and online programmes – of which 75% go on to successfully earn the associated micro-credential.

In addition to this ongoing work, the board decided in 2022 to invest in a new online offering to stay current and meet increased client demand. It will also allow the Charity to access large new markets with great appetite for leadership development, including Africa and the Indian sub-continent.

7.3. Common Purpose Asia-Pacific Limited

Objectives for the year

CPAPL's main objective for 2021/22 was to return the company to surplus following the financial impact of COVID the previous year. This was to be achieved by diversifying its funding sources and offering programmes more tailored to the local market.

Review of activities

CPAPL's highlight of 2021/22 was tendering successfully for a grant from Yayasan MENDAKI (Council for the Development of Singapore Malay/Muslim Community). MENDAKI assists students and individuals with education and training to improve their resilience and adaptability. We were awarded a three-year grant to provide leadership training under one of MENDAKI'S programmes.

The ASEAN Leadership Programme ran once again but with lower numbers than we would ideally have liked (12 compared to 22 in 2021). The programme was run in person in 2021/22, having been run online the previous year. CPAPL also ran its first TCPP in Singapore with 13 people attending. The company ran customised programmes for six major companies.

Plans for 2022/23

We are continuing to deepen our relationships in Singapore and beyond. Having brought the company back from its loss in the previous year, the coming year will be one of rebuilding our reserves to ensure the continued viability of the company. With regard to programmes, we will continue to focus on:

- Global - to continue to grow as a global hub for Common Purpose driving our work with global corporates and partners
- Regional - to continue to give a regional focus to Common Purpose and help spread its work across the ASEAN and Asia-Pacific region through programmes such as the ASEAN Leaders Programme as well as other bespoke work and partnerships; and
- Local - to make the Singapore base operate to its optimum, Common Purpose will make its presence relevant to the local community by running The Common Purpose Programme and other locally relevant programmes particularly for young people in partnership with local stakeholders.

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8. Review of financial activities

Overview of financial position

Total income for the year 2021/22 was £5,369.1k (2020/21: £4,374.7k), representing an increase of 22.7% on the previous year. Income from all types of programmes increased except customised programmes, which fell by 4% over the previous year. Unrestricted income increased by 10.6%; restricted income by 113.4%. The increases in revenue reflected both the more streamlined sales efforts of the organization, plus a return to a full annual grant from a key donor after a hiatus during the COVID pandemic.

The contribution made from donated goods and services remained broadly in line with 2020/21 (£222.2k against £227.3k in 2020/21). Donated goods and services include time offered by speaker and contributors, as well as programme venues, offices and other pro bono support provided by several organizations. Donated goods and services are recognized as both income and cost, and the effect is therefore overall neutral on the contribution to reserves.

Expenditure was £5,431k (2020/21: £4,259.6k), an overall increase of 25% across both restricted and unrestricted cost. Regarding expenditure on unrestricted costs:

- Salary costs rose by 12% as we looked to rebalance salaries in a highly competitive recruitment market
- Programme costs fell in our open and customised programmes
- General overheads fell by 17% as we continued to focus on cost management and business efficiencies.

The net movement in overall funds for the year ended 31 July 2022 was a surplus of £28.1k (2020/21: surplus of £115.1k). The net movement in unrestricted funds was an increase of £35k (2020/21: increase of £441k) and a reduction in restricted funds of £7.3k (2020/21: fall of £326k). Details of the results for the year are given in the Statement of Financial Activities on page 19.

Donated goods and services

We continued to receive significant support in kind locally and nationally to help keep expenditure in Common Purpose to a minimum. Generous support was received in kind from supporters who act as advisors, speakers, contributors and hosts on course days. Such valuable contribution enables Common Purpose to run the high quality and range of courses currently in operation as well as enabling Common Purpose to offer more bursary and part bursary places on our courses. During 2021/22, donated goods and services amounted to £222.2k compared with £227.3 in 2020/21. We gratefully acknowledge the support of the many organisations that donated their services during the year.

Intercompany guarantee

As mentioned above, it is the intention of the trustees to close CPUK during the 2022/23 financial year. CPUK has intercompany debtor balances with: CPSE for £175.6k, CPI for £13.1k and CPL for £288.5k. CPCT has provided guarantees to these companies to meet the sums CPUK owes and during 2022/23, the balances will be repaid, with no overall impact on the consolidated financial position of the group.

9. Reserves policy

CPCT holds reserves to ensure the stability of its mission, programmes, employment, and ongoing operations of the organization. Reserves are that part of CPCT's unrestricted funds that are freely available to spend on any of the Trust's purposes. Reserves provide a source of internal funds for organizational priorities such as new programmes, curriculum development and international expansion.

CPCT intends to meet its operational and strategic objectives by maintaining reserves at a level that allows it to carry on and develop its activities in line with its charitable objectives and strategy, while not holding excessive reserves that might limit the amount available to be spent on achieving those objectives.

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The Trustees of CPCT are responsible for setting and monitoring the level of reserves for the CPCT group and for approving this policy. The Trustees are also responsible for approving the use of reserves for investment in new programmes or initiatives.

CPCT's total reserves are made up of:

- unrestricted reserves, which are the reserves that CPCT has accumulated from surpluses on unrestricted income over unrestricted expenditure. They represent the net accumulated surplus or deficit since the organisation came into existence. These funds can be spent at the discretion of the trustees in furtherance of CPCT's objectives
- restricted reserves, which represent grants or other income that CPCT has received for specific programmes where the donor requires the funds to be held or accounted for separately in support of programme delivery. These funds can only be spent on delivering the programmes as specified by the donor.

CPCT has calculated that an appropriate level of unrestricted reserve for the organization, based on the risk to income, is £1,200,000. At the end of 2021/22, unrestricted reserve was slightly below this level at £1,143.2k. The trustees do not consider this to be an issue and unrestricted reserves are budgeted to exceed £1,200k in 2022/23.

It is also the Trustees' policy that all companies within the CPCT group should hold positive unrestricted reserves. Where a company has negative reserves, the board will take appropriate remedial action to return the reserves to positive. The Charity's UK subsidiary, Common Purpose UK, held negative reserves at the end of 2021/22. The trustees decided in 2020/21 that there was little realistic chance of returning CPUK to positive reserves, and therefore made the decision to cease activity in the company and transfer its business to another company within the group (CPL).

The level of reserves is reported each month in line with the monthly accounts' preparation. The level of unrestricted and restricted reserves is also reported to each board meeting with the group balance sheet.

CPCT has adopted a risk-based approach to determining its reserves, utilising a model that allocates a risk weighting to unrestricted income and costs. In the model, income is assessed on certainty and stability, to produce a reliability score. Costs are assessed on the impact of reducing them, their priority to the organisation and the source of funding, to produce an expenditure commitment score. Income and expenditure lines are given a red / amber / green rating. The reserves figure is based on the red and amber results. CPCT has chosen a six months' time horizon, meaning that we aim to hold reserves to cover six months of trading.

The make-up of reserves as at 31 July 2022 across the group is:

| | Total | Unrestricted | Restricted |
|----------------------------|----------------|---------------------|-------------------|
| CPCT | 883.8 | 441.0 | 442.8 |
| CP International | 90.6 | 90.6 | 0.0 |
| CP Limited | 226.1 | 226.1 | 0.0 |
| CPUK | (278.3) | (278.3) | 0.0 |
| CP Student Experiences Ltd | 561.2 | 561.2 | 0.0 |
| CP Asia-Pacific Ltd | 102.6 | 102.6 | 0.0 |
| Total reserves | 1,586.0 | 1,143.2 | 442.8 |

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10. Business re-organizations

At the time of preparing the 2020/21 accounts, CPL was in the process of acquiring the shares of Civilia India Educational Programmes Pvt Ltd (CIEP). CIEP, based in Bangalore, has previously been an independently owned and operated licensee, and therefore outside the control of the group. The CPCT board's wish is to regularize the shareholding structure both of CIEP and our licensee in Hong Kong (Common Purpose Hong Kong Ltd, CPHK). While the process of buying the shares of CIEP began in 2020/21, we have been unable to complete the purchase due to regulatory considerations. The intention is, however, to proceed with this purchase.

CPHK was brought into the group on 4 August 2022.

11. Reference and administrative details

Charity number: 1023384

Company number: 2832875

Registered office: Monmouth House, 38 – 40 Artillery Lane, London E1 7LS

12. Advisers

Auditors: Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Bankers: National Westminster, 250 Regent Street, London W1B 3BN

Solicitors: Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square
London E1 6PW

13. Trustees and directors

Lynna Chandra

Jonathan Donner

David Grace (Chair)

Sanjeev Gupta

Peter Kulloi

Lauren Le Franc (resigned 25 Nov 2021)

Mark Linder

Vandana Saxena Poria

David Robinson

Shuvo Saha

Janis Sanders

Albert Tucker

All served throughout the year ended 31 July 2021, unless otherwise indicated.

The group's Chief Executive Officer is Adirupa Sengupta.

14. Structure, governance and management*a. Governing Document and Constitution*

The Common Purpose Charitable Trust is a company limited by guarantee with charitable status. The governing documents of the Trust are its Memorandum and Articles of Association.

Methods adopted for the recruitment and appointment of trustees

We encourage people interested in becoming trustees to apply on our website. When vacancies arise, the nominations committee draws up criteria, considers applications, conducts interviews of candidates and recommends appointments. Prospective trustees are briefed on the nature and work of the organisation, invited to meet the board and the executive and, if the board approves, appointed at the next board meeting. Appointments are ratified at the following annual general meeting.

b. Policies and procedures for the induction of trustees

All trustees are offered an induction, which is tailored to suit their individual requirements. Each new trustee receives an information pack which informs them of their role, the management structure and the

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policies and systems in place. New trustees are invited to attend a course day to see Common Purpose in action, as well as participating in other Common Purpose events.

c. Directors' insurance and indemnities

The trustees have the benefit of the indemnity provisions contained in the Trust's Articles of Association, and the Trust has maintained throughout the year directors' and officers' liability insurance for the benefit of the Trust, the directors and its officers.

15. Board sub-committees

a. Audit and Risk Committee

The Audit and Risk Committee (ARC) meets regularly to review and advise the board on all financial and risk matters as they relate to the group. ARC convened nine times during the year. Areas of review included:

- liaising with the Trust's auditors and agreeing the annual audit plan
- considering the auditor's findings and their review of internal controls
- reviewing the financial accounts of the Trust
- monitoring the risk profile of the organization
- monitoring the Trust's financial position
- generally supporting financial matters of the group.

ARC members are Jan Sanders (Chair) and Sanjeev Gupta, with the Group CEO and Finance Director/Group Company Secretary attending. The ARC meets monthly and as required.

b. Nominations Committee

The Nominations Committee meets periodically to discuss matters to do with board appointments and succession. Its members include Jonathan Donner and Vandana Saxena Poria.

16. Organisational structure and decision making

The trustees of The Common Purpose Charitable Trust meet quarterly to review the direction and performance of the organisation. They set and agree the strategy to ensure that the organisation meets its aims.

The Chief Executive is responsible for the leadership of the organisation. The trustees review the progress of the strategic objectives of the companies within the group and act to safeguard the organisation's independence and brands.

The trustees set the salary of the Group Chief Executive Officer, who is delegated to set the salaries of senior management. These are benchmarked against average management salaries for the sector. The aggregate emoluments of the key management personnel were £1,077k (2020/21: £1,141.2k). Key management personnel includes heads of five business units and four support teams (Operations, Finance, Marketing and IT). Support costs are incurred centrally and recovered from revenue generating business units.

In each local area in which Common Purpose operates, a Local Advisory Group is set up. The group is made up of local leaders from the public, private and voluntary sectors. The Local Advisory Group ensures that participant groups are diverse and reflect the make-up of the local area. The names of members of all Local Advisory Groups are published on the Common Purpose website.

Local Advisory Groups are advisory only. They have no legal, financial, or managerial responsibility for Common Purpose. They are not representative bodies either. All Advisory Group members attend as

COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

individuals in a voluntary and unpaid capacity, which they are invited to take on in their personal, rather than professional, roles.

If any issue arises at Advisory Group meetings which conflicts with their professional role, members exclude themselves from that section of the discussion.

17. Risk Review Statement

The trustees have established a regular risk assessment which identifies the major foreseeable risks faced by the Trust, assessing their likelihood and impact, and as appropriate, implementing measures to mitigate these risks. The Audit and Risk Committee regularly reviews the risk register, which identifies the major risks to which the Trust is exposed. The risk register assigns a likelihood and impact score to each identified risk and assigns both management and board responsibility for oversight. The scores are then assigned a colour (red, amber, green) with the most serious risks, and the appropriate mitigation strategy and actions for each risk, being closely monitored. The risk register is also presented to the board semi-annually.

Major risks discussed and addressed at board level include:

- maintaining our independence and ensuring we keep to our core ethos of supporting diversity, equality, partnership etc.
- operational risks in the online delivery model
- succession planning for trustees and key management
- major IT failure due to cyber-attacks or other service interruption
- international HR compliance as we become more global in our operations
- financial risks such as dependency on a few large contracts, currency volatility, inadequate reserves and adverse economic conditions in the markets in which we operate.

18. Global economic conditions and impact of COVID-19 (Coronavirus)

The trustees have approved these accounts during a time of both global and UK economic uncertainty. While the impacts of COVID-19 appear to be significantly reduced, global inflation and energy security is creating highly uncertain economic conditions.

In November 2022 the trustees formally reviewed an updated cash flow forecast to December 2023 for the group. On the basis of the assumptions made by management this showed the Trust remaining cash flow positive throughout the period.

The trustees recognize, however, that given the current uncertain global economic situation any forecast of future activity levels and thus cash flow is inherently uncertain. The key uncertainty is the extent to which uncontracted income will be realised while the threat of recession hangs over many of our key markets. To protect this income, we continue to stay very close to our clients.

The trustees believe, however, that notwithstanding the inherent uncertainties that currently exist, the strength of the Trust's underlying business and management's ongoing relationships with key donors and clients, and the actions being taken to mitigate any unforeseen reduction in activity levels, mean that the Trust remains financially sustainable and will remain a going concern for at least the next twelve months from the date of approval of these accounts.

The trustees will continue to actively monitor staff levels and operational costs and take such steps as they consider necessary to help ensure these remain in line with reduced activity levels and income.

The Trust has no investments or other assets that have been significantly impaired as a result either of COVID-19 or general economic conditions. The Trust's reserves have remained stable during 2021/22. The trustees regularly review and update the Trust's reserves policy and risk register to mitigate and manage as far as practicable the impacts of the current economic situation.

COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

19. Statement of trustees' responsibilities

The trustees, who are also the directors and members of The Common Purpose Charitable Trust for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Trust and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Trust for that period.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Trust 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 charitable Trust and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable Trust and group's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution re-appointing Haysmacintyre LLP will be proposed at the AGM in accordance with S485 of the Companies Act 2006.

In preparing this report the trustees have taken advantage of the exemptions available to small companies (including the exemption from preparing a strategic report).

Signed by order of the Board of Trustees on 23 December 2022.

DocuSigned by:



.....E7AF27979AC74DA.....

David Grace
Trustee

DocuSigned by:



.....DE61F20858E442C.....

Jan Sanders
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMON PURPOSE CHARITABLE TRUST

Opinion

We have audited the financial statements of Common Purpose Charitable Trust for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust-only Balance Sheet, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMON PURPOSE CHARITABLE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of Company and Charity Law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll taxes and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries or the manipulation of accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMON PURPOSE CHARITABLE TRUST

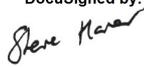
- Reviewing the minutes of Trustees' meetings during the year
- Identifying and testing journals, in particular journal entries posted around the year-end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

Date: 23 December 2022

COMMON PURPOSE CHARITABLE TRUST**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including an income and expenditure account)****FOR THE YEAR ENDED 31 JULY 2022**

| | Note | 2021/22 | | | 2020/21 | | |
|--|------|-----------------------------|---------------------------|----------------------|-----------------------------|---------------------------|----------------------|
| | | Unrestricted Funds £000s | Restricted Funds £000s | Total funds £000s | Unrestricted Funds £000s | Restricted Funds £000s | Total funds £000s |
| Income from | | | | | | | |
| Donated goods and services | | 222.2 | 0.0 | 222.2 | 227.3 | 0.0 | 227.3 |
| Charitable activities: | | | | | | | |
| Open programmes | | 951.1 | 0.0 | 951.1 | 734.5 | 0.0 | 734.5 |
| Student programmes | | 1,096.2 | 0.0 | 1,096.2 | 981.9 | 0.0 | 981.9 |
| Grants | | 579.5 | 1,102.2 | 1,681.7 | 444.8 | 516.4 | 961.2 |
| Customised programmes | | 1,190.6 | 0.0 | 1,190.6 | 1,239.9 | 0.0 | 1,239.9 |
| Payments received for staff furlough | | 0.0 | 0.0 | 0.0 | 46.6 | 0.0 | 46.6 |
| Other Income | | 142.9 | 0.0 | 142.9 | 108.5 | 0.0 | 108.5 |
| Other trading activities | | 84.4 | 0.0 | 84.4 | 74.8 | 0.0 | 74.8 |
| Total | | 4,266.9 | 1,102.2 | 5,369.1 | 3,858.3 | 516.4 | 4,374.7 |
| Expenditure on | | | | | | | |
| Charitable activities: | | | | | | | |
| Open programmes | | 1,150.8 | 0.0 | 1,150.8 | 895.6 | 0.0 | 895.6 |
| Student programmes | | 1,115.0 | 0.0 | 1,115.0 | 875.0 | 0.0 | 875.0 |
| Grant-based programmes | | 539.2 | 1,109.5 | 1,648.7 | 384.4 | 812.4 | 1,196.8 |
| Customised programmes | | 1,170.2 | 0.0 | 1,170.2 | 1,107.2 | 0.0 | 1,107.2 |
| Other trading activities | | 256.3 | 0.0 | 256.3 | 185.0 | 0.0 | 185.0 |
| Total | 6 | 4,231.5 | 1,109.5 | 5,341.0 | 3,447.2 | 812.4 | 4,259.6 |
| Net (expenditure) / income | | 35.4 | (7.3) | 28.1 | 411.1 | (296.0) | 115.1 |
| Transfers between funds | | 0.0 | 0.0 | 0.0 | 30.0 | (30.0) | 0.0 |
| Net movement in funds | | 35.4 | (7.3) | 28.1 | 441.1 | (326.0) | 115.1 |
| Fund balances brought forward as at 1 August | | 1,107.8 | 450.1 | 1,557.9 | 666.7 | 776.1 | 1,442.8 |
| Fund balances carried forward as at 31 July | | 1,143.2 | 442.8 | 1,586.0 | 1,107.8 | 450.1 | 1,557.9 |

The accompanying notes on pages 24 to 37 form part of the financial statements.

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.

THE COMMON PURPOSE CHARITABLE TRUST

Company registered number: 2832875

CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2022

| | Note | 2022 | | 2021 | |
|--|------|------------------|----------------|------------------|----------------|
| | | £000s | £000s | £000s | £000s |
| FIXED ASSETS | | | | | |
| Intangible fixed assets | 7 | | 29.6 | | 37.6 |
| Tangible fixed assets | 8 | | 41.3 | | 41.7 |
| | | | <u>70.9</u> | | <u>79.3</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 1,700.2 | | 1,338.7 | |
| Cash at bank and in hand | | <u>1,249.7</u> | | <u>2,427.9</u> | |
| Total current assets | | <u>2,949.9</u> | | <u>3,766.6</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(1,108.2)</u> | | <u>(1,888.0)</u> | |
| Net current assets | | | 1,841.7 | | 1,878.6 |
| LONG TERM LIABILITIES | | | | | |
| Creditors: amounts falling due in more than one year | 11 | (326.6) | | (400.0) | |
| Total long term liabilities | | | (326.6) | | (400.0) |
| TOTAL ASSETS LESS LIABILITIES | | | <u>1,586.0</u> | | <u>1,557.9</u> |
| RESERVES | | | | | |
| Restricted funds | 15 | | 442.8 | | 450.1 |
| Unrestricted funds | 14 | | <u>1,143.2</u> | | <u>1,107.8</u> |
| | | | <u>1,586.0</u> | | <u>1,557.9</u> |

The accompanying notes on pages 24 to 37 form part of the financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 23 December 2022 and were signed below on its behalf by:

DocuSigned by:


 David Grace
 Trustee
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DocuSigned by:


 Jan Sanders
 Trustee
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THE COMMON PURPOSE CHARITABLE TRUST

Company registered number: 2832875

BALANCE SHEET (TRUST ONLY)

AS AT 31 JULY 2022

| | Note | 2022 | | 2021 | |
|--|------|----------------|----------------|------------------|----------------|
| | | £000s | £000s | £000s | £000s |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 8 | | 31.5 | | 40.2 |
| | | | <u>31.5</u> | | <u>40.2</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 1,068.2 | | 637.9 | |
| Cash at bank and in hand | | <u>1,056.2</u> | | <u>2,280.3</u> | |
| Total current assets | | 2,124.4 | | 2,918.2 | |
| Creditors: amounts falling due within one year | 10 | <u>(945.4)</u> | | <u>(1,641.4)</u> | |
| Net current assets | | | <u>1,179.0</u> | | <u>1,276.8</u> |
| Creditors: amounts falling due in more than one year | 11 | (326.7) | | (400.0) | |
| Net long term liabilities | | | (326.7) | | (400.0) |
| TOTAL ASSETS LESS LIABILITIES | | | <u>883.8</u> | | <u>917.0</u> |
| RESERVES | | | | | |
| Restricted funds | | | 442.0 | | 446.9 |
| Unrestricted funds | | | <u>441.8</u> | | <u>470.1</u> |
| | | | <u>883.8</u> | | <u>917.0</u> |

The Common Purpose Charitable Trust made a loss before consolidation of £33.2k (2020/21: loss of £332.3k).

The accompanying notes on pages 24 to 37 form part of the financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 23 December 2022 and were signed below on its behalf by:

DocuSigned by:



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David Grace

Trustee

DocuSigned by:



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Jan Sanders

Trustee

THE COMMON PURPOSE CHARITABLE TRUST**CONSOLIDATED CASH FLOW STATEMENT****YEAR ENDED 31 JULY 2022**

| | | 2022 | 2021 |
|--|----|-------------|-------------|
| | | £000s | £000s |
| Net cash (outflow) / inflow from operating activities | 12 | (1,061.9) | 417.5 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 0.0 | 0.0 |
| Capital expenditure | | | |
| Payments to acquire tangible and intangible fixed assets | | (51.0) | (3.9) |
| (Decrease) / increase in cash | | (1,178.2) | 1,371.7 |
| Cash at bank and in hand at start of year | | 2,427.9 | 1,056.2 |
| Cash at bank and in hand at end of year | | 1,249.7 | 2,427.9 |

The accompanying notes on pages 22 to 37 form part of the financial statements.

The balance of £1,249.7k cash at bank and in hand is made up as follows:

| | 2021/22 | 2020/21 |
|-------------------------|-----------------|-----------------|
| | £000s | £000s |
| Cash | 1,337.7 | 2,427.9 |
| Bank overdraft utilised | (88.0) | 0.0 |
| Total | £1,249.7 | £2,427.9 |

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES

Common Purpose Charitable Trust is a charitable company limited by guarantee. Further details are shown in section 15 of the Trustees' Annual Report.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable Trust is a public benefit entity for the purposes of FRS 102 and therefore the Trust also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP, Second Edition, effective 1 January 2019), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

(a) Financial instruments

The Trust and group hold only basic financial instruments which are initially recognised at cost or transaction value, and do not require subsequent adjustment to fair value.

(b) Revenue recognition

In the view of the trustees in applying the accounting policies adopted, judgement is required in relation to recognition of accrued income. The Trust accrues income on the following basis where it is contracted in one financial year, but the programme is being delivered in the following financial year:

| <i>Programme delivery date</i> | <i>% of contracted amount</i> |
|--|-------------------------------|
| First quarter of the following financial year | 75% |
| Second quarter of the following financial year | 50% |

(c) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the trustees in furtherance of the general charitable objectives of the Trust.

Restricted funds are funds subject to specific restricted conditions imposed by the donors.

(d) Income

Income represents the total income receivable during the year comprising fees from open programmes, student programmes, customised programmes, as well as grants for large international projects, bank interest and other income.

Income and expenditure related to open courses is matched and any surplus on a course is recognised in the accounting year in which it arises. Course deficits are recognised as soon as anticipated. Income is fully recognised on commencement of courses including those that cease after the year end as no refunds are given once a course has commenced and hence full entitlement to the income occurs on commencement.

Income and expenditure related to student and customised programmes is matched and any surplus on a course is recognised in the accounting year in which it arises. Due to the nature of the programmes, income is partially based on the services rendered within the financial year. Where a client makes a legally binding commitment to purchase a customised programme, but the programme is not running until the next financial year, income is accrued as per note 1(b) above.

In prior years, grant income was recognized in its entirety at the time it is received as long as there were no conditions that prevented recognition. This income was held as restricted income until such time as programme delivery costs were incurred.

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

In line with FRS 102 Charities SORP, where donors impose timelines in relation to delivery of their programmes, restricted income is deferred rather than recognized in the year of receipt, as this represents a precondition set by the donor. It also better matches income to the period of expenditure to which it relates.

Where Common Purpose has been donated facilities, amounts are included in income at the estimated value to the Trust of the donated facilities with an equal and opposite amount being included in expenditure.

(e) Expenditure

Expenditure is charged to the Statement of Financial Activities on an accruals basis.

Direct costs are charged to the appropriate category of charitable activity along with appropriate allocation of support costs, which are defined as those costs which are necessary to deliver the charitable activity but do not constitute its output. Support costs include governance costs. More detail as to the method of their allocation is given in note 6b to the accounts.

Governance costs are those non charitable costs which are necessary for the general running of the Trust and include items such as audit and professional services fees.

(f) Depreciation and amortisation

Depreciation is calculated on a monthly basis so as to write off the cost of tangible fixed assets over their expected useful economic lives. The principal annual rates and bases used for this purpose are:

| | |
|------------------------|-------------------|
| Leasehold improvements | 10% straight line |
| Computer equipment | 33% straight line |

Amortisation on trademarks is calculated on an annual basis over ten years.

Amortisation on software costs are calculated on an annual basis over three years.

Amortisation of software with a perpetual licence is calculated on an annual basis of ten years.

(g) Leased assets

Payments under operating leases are charged to the Statement of Financial Activities.

(h) Basis of consolidation

The group financial statements consolidate the financial statements of The Common Purpose Charitable Trust, Common Purpose UK, Common Purpose International, Common Purpose Ltd, Common Purpose Student Experiences Ltd and Common Purpose Asia-Pacific Ltd. The financial statements of CPSE's branch in Australia are consolidated into the accounts of CPSE. No statement of financial activities is presented for The Common Purpose Charitable Trust as provided by section 408 of the Companies Act 2006.

(i) Foreign currency translation

Transactions denominated in foreign currencies are initially translated into sterling at the exchange rate at the transaction date. Monetary items are retranslated at the balance sheet date and the resulting differences are reflected in the Statement of Financial Activities.

(j) Going concern

The accounts are prepared on a going concern basis which assumes that the Charity will continue in business for the foreseeable future and, in assessing the Charity's viability as going concern, the directors have had regard to a minimum period of 12 months from the date of approval of the accounts.

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022**

The accounts are approved during a period where the long-term economic and social impacts of the coronavirus COVID-19 appear to be lessening. However, the conflict in Ukraine, higher global energy prices and increasing inflation, particularly in the UK, have all contributed to great business uncertainty as the year draws to a close.

This cash flow forecast is review by the trustees and shows the Trust staying cash flow positive for the next 12 months. The trustees believe therefore that the Charity has sufficient resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. In making this assessment, the trustees have not identified any material uncertainties

2. NET MOVEMENT IN FUNDS – Group and Trust

| | 2022 | 2021 |
|---|-------------|-------------|
| | £000s | £000s |
| The net movement in funds is arrived at after charging: | | |
| Depreciation and amortisation | 51.3 | 31.5 |
| Auditors' remuneration for audit services | 29.0 | 31.9 |
| Auditors' remuneration for non-audit related services | 6.7 | 3.3 |
| Operating lease rentals - land and buildings | 107.1 | 107.1 |
| Operating lease rentals – equipment | <u>30.4</u> | <u>30.4</u> |

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

3. STAFF NUMBERS AND EMOLUMENTS - Group and Trust

| | 2022 | 2021 |
|--|------------------|------------------|
| | Number | Number |
| The average number of persons employed by the group during the year was: | | |
| Programme sales and delivery | 71 | 59 |
| Operational support | 12 | 16 |
| | <u>83</u> | <u>75</u> |
| Staff costs | £ | £ |
| Wages and salaries | 3,020,645 | 2,714,651 |
| Social security costs | 285,289 | 286,575 |
| Employer Pension Contribution | 91,699 | 74,041 |
| | <u>3,397,633</u> | <u>3,075,267</u> |

The number of employees whose emoluments for the year fell within the following bands:

| | Number | Number |
|---------------------|---------------|---------------|
| £60,000 - £69,999 | 5 | 3 |
| £70,000 - £79,999 | 2 | 2 |
| £80,000 - £89,999 | 2 | 2 |
| £90,000 - £99,999 | 0 | 1 |
| £100,000 - £109,999 | 2 | 0 |
| £110,000 - £119,999 | 0 | 2 |
| Over £130,000 | 1 | 1 |
| Total | <u>12</u> | <u>11</u> |

Aggregate emoluments of the Senior Management Team

| | £ | £ |
|-----------------------|------------------|------------------|
| Salary | 949,673 | 994,512 |
| Social security costs | 108,956 | 113,702 |
| Pension | 24,432 | 32,975 |
| | <u>1,083,061</u> | <u>1,141,189</u> |

Termination payments of £12,000 were made during the year (2020/21: none).

The senior management team includes those employees who report directly to the CEO, made up of the heads of business units and support teams. During 2021/22 the senior management team consisted of ten people employed by CPCT, and one employed by CPAPL. Employer pension contributions relate to defined contribution arrangements only and these are charged to expenditure as they fall due.

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022****4. RESULTS FROM COMMON PURPOSE CHARITABLE TRUST TRADING SUBSIDIARIES****4a. RESULTS OF TRADING SUBSIDIARY**

The group has a trading subsidiary company, Common Purpose Limited. CPL is a wholly owned subsidiary of The Common Purpose Charitable Trust and is incorporated in the UK. It manages licensing arrangements, the provision of services to the Common Purpose licensees, the group's commercially based work and open programmes in the UK.

The company was incorporated in July 2013 and became active on 1 August 2015 when its business was transferred from Common Purpose Customised Ltd. It covenants its taxable profits to The Common Purpose Charitable Trust.

| | Common Purpose Limited | |
|---------------------------------|-------------------------------|-------------|
| | 2022 | 2021 |
| Profit and loss account | £ | £ |
| Turnover | 2,117.4 | 1,743.0 |
| Administrative expenses | (2,125.3) | (1,384.5) |
| Retained profit / (loss) | (7.9) | 358.5 |
| Balance sheet | | |
| Fixed assets | 39.4 | 30.9 |
| Current assets | 943.6 | 757.6 |
| Current liabilities | (756.8) | (554.5) |
| Surplus / (Deficit) on reserves | 226.2 | 234.0 |

4b. RESULTS OF CHARITABLE SUBSIDIARIES

The Common Purpose Charitable Trust has one active UK charitable subsidiary, Common Purpose Student Experiences Limited (company no. 09526939), together with a subsidiary in Singapore (Common Purpose Asia Pacific Ltd). Its two other UK subsidiaries, Common Purpose UK (company no. 03556983, charity no. 1023384) and Common Purpose International (company no. 03207453, charity no. 1056573) are no longer actively operating. The negative reserves of CPUK will be eliminated during the new financial year, and the surplus reserves of CPI gifted to the parent Trust.

Common Purpose Student Experiences also operated a branch in Australia. These results are consolidated with those of CPSE.

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022**

| | Common Purpose UK | |
|---|-------------------------------------|----------------|
| | 2022 | 2021 |
| | £000s | £000s |
| Income | | |
| Income from charitable activities | 0.0 | 371.5 |
| Net cost recoveries from other group entities | 0.0 | 117.9 |
| Total income | 0.0 | 489.4 |
| Expenditure | | |
| Charitable activities | 7.3 | 710.0 |
| Net deficit | (7.3) | (220.6) |
| Surplus covenanted to CPCT | 0.0 | 0.0 |
| Assets | 7.4 | 128.5 |
| Liabilities | (291.6) | (405.4) |
| Net funds | (284.2) | (276.9) |
| | | |
| | Common Purpose International | |
| | 2022 | 2021 |
| | £000s | £000s |
| Income | | |
| Income from charitable activities | 8.0 | 111.8 |
| Net cost recoveries from other group entities | 0.0 | 88.9 |
| Total income | 8.0 | 200.7 |
| Expenditure | | |
| Charitable activities | 7.4 | 217.5 |
| Net movement in funds | 0.6 | (16.8) |
| Surplus covenanted to CPCT | | 0.0 |
| Assets | 90.6 | 91.2 |
| Liabilities | 0.0 | (1.2) |
| Net funds | 90.6 | 90.0 |

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

| | Common Purpose Student Experiences Ltd | |
|---|---|----------------|
| | 2022 | 2021 |
| Income | £000s | £000s |
| Income from charitable activities | 1,135.6 | 1,017.6 |
| Net cost recoveries from other group entities | 120.5 | 12.8 |
| Total income | <u>1,256.1</u> | <u>1,030.4</u> |
| Expenditure | | |
| Charitable activities | (1,184.3) | (789.6) |
| Net movement in funds | <u>71.8</u> | <u>240.8</u> |
| Surplus covenanted to CPCT | | 0.0 |
| Assets | 877.4 | 711.6 |
| Liabilities | (310.7) | (216.7) |
| Net funds | <u>566.7</u> | <u>494.9</u> |

| | Common Purpose Asia Pacific Ltd | | | |
|---|--|---------------|--------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Income | £000s | £000s | SG \$000s | SG \$000s |
| Grant from Common Purpose Charitable Trust | 0.0 | 0.0 | 0.0 | 0.0 |
| Income from charitable and trading activities | 394.5 | 174.5 | 707.4 | 311.4 |
| Net cost recoveries from other group entities | 51.5 | 64.4 | 92.4 | 115.0 |
| Total income | <u>446.0</u> | <u>238.9</u> | <u>799.8</u> | <u>426.4</u> |
| Expenditure | | | | |
| Charitable activities | (446.9) | (285.8) | (801.5) | (510.1) |
| Net movement in funds | <u>(0.9)</u> | <u>(46.9)</u> | <u>(1.7)</u> | <u>(83.7)</u> |
| Assets | 475.0 | 238.0 | 851.7 | 424.7 |
| Liabilities | (352.5) | (114.0) | (632.1) | (203.4) |
| Net funds | <u>122.5</u> | <u>124.0</u> | <u>219.6</u> | <u>221.3</u> |

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

5. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES (Group and Trust)

No emoluments were paid during the year (2020/21: nil). Nil expenses were reimbursed to trustees (2020/21: nil).

6a. ANALYSIS OF EXPENDITURE

| | Direct costs | Support Costs | Total 2022 | Direct costs | Support Costs | Total 2021 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | £000s | £000s | £000s | £000s | £000s | £000s |
| Open programmes | 822.2 | 328.6 | 1,150.8 | 604.4 | 250.9 | 855.3 |
| Student programmes | 736.2 | 378.8 | 1,115.0 | 539.5 | 335.5 | 875.0 |
| Grants | 1,349.5 | 299.2 | 1,648.7 | 960.3 | 236.5 | 1,196.8 |
| Customised programmes | 758.9 | 411.3 | 1,170.2 | 683.6 | 423.6 | 1,107.2 |
| Other trading activities | 177.7 | 78.6 | 256.3 | 146.7 | 78.6 | 225.3 |
| | 3,844.5 | 1,496.5 | 5,341.0 | 2,934.5 | 1,325.1 | 4,259.6 |

6b. ANALYSIS OF SUPPORT COSTS

| | 2022 | | | | 2021 | | | |
|--------------------------|-----------------------|-------------|-------------|----------------|-----------------------|--------------|-------------|----------------|
| | Central support costs | Licence fee | Governance | Total | Central support costs | Licence fee | Governance | Total |
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Open programmes | 299.8 | 20.4 | 8.4 | 328.6 | 200.1 | 43.7 | 7.2 | 251.0 |
| Student programmes | 345.6 | 23.5 | 9.7 | 378.8 | 267.5 | 58.4 | 9.6 | 335.5 |
| Grants | 281.7 | 12.4 | 5.1 | 299.2 | 173.2 | 59.0 | 4.3 | 236.5 |
| Customised programmes | 375.3 | 25.5 | 10.5 | 411.3 | 337.7 | 73.7 | 12.1 | 423.5 |
| Other trading activities | 71.7 | 4.9 | 2.0 | 78.6 | 62.6 | 13.7 | 2.3 | 78.6 |
| | 1,374.1 | 86.7 | 35.7 | 1,496.5 | 1,041.1 | 248.5 | 35.5 | 1,325.1 |

Support costs are apportioned on the basis of the percentage of each activity's direct expenditure. Central services includes Finance, HR, Marketing and Operational support. Support costs are fully recovered from business units.

Licence fee represents the charge to licensees for using the group's intellectual property and IT services. This figure reduced in 2021/22 because of moving the UK business out of a separate licensee (CPUK) into CPL, the company that raises the licence fee.

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022****7. INTANGIBLE FIXED ASSETS - GROUP**

| | Software Costs | Group Trademarks | Investments | Total |
|-------------------------|---------------------------|-----------------------------|--------------------|--------------------|
| | £000s | £000s | £000s | £000s |
| COST | | | | |
| At 1 August 2021 | 99.1 | 182.9 | 3.0 | 285.0 |
| Fully amortized to date | (33.0) | (182.4) | 0.0 | (215.4) |
| Additions | 0.0 | 4.8 | 0.0 | 4.8 |
| | <u>66.1</u> | <u>5.3</u> | <u>3.0</u> | <u>74.4</u> |
| At 31 July 2022 | <u>66.1</u> | <u>5.3</u> | <u>3.0</u> | <u>74.4</u> |
| AMORTISATION | | | | |
| At 1 August 2021 | 65.0 | 184.1 | 0.0 | 249.1 |
| Fully amortized to date | (33.0) | (182.4) | 0.0 | (215.4) |
| Charge for year | 6.6 | 1.6 | 3.0 | 11.2 |
| | <u>38.6</u> | <u>3.3</u> | <u>3.0</u> | <u>44.9</u> |
| At 31 July 2022 | <u>38.6</u> | <u>3.3</u> | <u>3.0</u> | <u>44.9</u> |
| NET BOOK VALUE | | | | |
| At 31 July 2022 | <u><u>27.6</u></u> | <u><u>2.0</u></u> | <u><u>0.0</u></u> | <u><u>29.6</u></u> |
| At 31 July 2021 | <u><u>34.2</u></u> | <u><u>(1.2)</u></u> | <u><u>3.0</u></u> | <u><u>36.0</u></u> |

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022****8. TANGIBLE FIXED ASSETS – GROUP**

| | Leasehold improvements | Group Computer equipment | Total |
|---------------------------|-----------------------------------|---|--------------------|
| | £000s | £000s | £000s |
| COST | | | |
| At 1 August 2021 | 28.3 | 99.7 | 128.0 |
| Disposal | 0.0 | 0.0 | 0.0 |
| Fully depreciated to date | 0.0 | (88.7) | (88.7) |
| Additions | <u>0.0</u> | <u>46.2</u> | <u>46.2</u> |
| At 31 July 2022 | <u>28.3</u> | <u>57.2</u> | <u>85.5</u> |
| DEPRECIATION | | | |
| At 1 August 2021 | 17.0 | 75.8 | 92.8 |
| Fully depreciated to date | 0.0 | (88.7) | (88.7) |
| Charge for year | <u>3.0</u> | <u>37.1</u> | <u>40.1</u> |
| At 31 July 2022 | <u>20.0</u> | <u>24.2</u> | <u>44.2</u> |
| NET BOOK VALUE | | | |
| At 31 July 2022 | <u><u>8.3</u></u> | <u><u>33.0</u></u> | <u><u>41.3</u></u> |
| At 31 July 2021 | <u><u>11.3</u></u> | <u><u>23.9</u></u> | <u><u>35.2</u></u> |

Included in the above table are assets related to the parent charitable trust with a net book value of £31.4k (2020/21: £40.2k).

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022****9. DEBTORS**

| | Group | | Trust | |
|-------------------------------------|----------------|----------------|----------------|---------------|
| | 2022 £000s | 2021 £000s | 2022 £000s | 2021 £000s |
| Tuition fees and sponsorship income | 1,063.2 | 752.1 | 150.3 | 126.3 |
| Prepayments | 5.4 | (5.0) | 14.2 | 5.1 |
| Accrued income | 629.6 | 588.4 | 154.3 | 164.3 |
| Other debtors | 1.44 | 2.7 | 0.0 | 0.0 |
| Prepaid marketing material | 0.6 | 0.5 | 0.0 | 0.0 |
| Amounts due from group undertakings | 0.0 | 0.0 | 749.4 | 234.5 |
| Loans to group companies | 0.0 | 0.0 | 0.0 | 107.7 |
| | 1,700.2 | 1,338.7 | 1,068.2 | 637.9 |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Trust | |
|-----------------------------------|----------------|----------------|---------------|----------------|
| | 2022 £000s | 2021 £000s | 2022 £000s | 2021 £000s |
| Sundry creditors and accruals | 613.5 | 403.0 | 387.8 | 234.7 |
| Other taxes and social security | 223.5 | 225.7 | 100.8 | 108.5 |
| Deferred income | 271.2 | 1,259.3 | 1.5 | 1,012.4 |
| Amounts due to group undertakings | 0.0 | 0.0 | 455.3 | 285.8 |
| | 1,108.2 | 1,888.0 | 945.4 | 1,641.4 |

Deferred income relates to work due to be undertaken in the coming year. The brought forward deferred income has been released in full into the current year's Statement of Financial Activities.

11. LOAN UNDER THE CORONAVIRUS BUSINESS INTERRUPTION LOANS (CBIL) SCHEME

In August 2020, CPCT received a loan under the CBIL Scheme for £400,000. The loan is repayable over six years. Repayments on the loan began in August 2021. The trustees have decided to maintain the loan for the foreseeable future as a liquidity buffer. The Audit and Risk Committee reviews the Charity's cash position every three months to determine whether the loan can be partially or fully repaid.

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022****12. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

| | Group | |
|--|------------------|--------------|
| | 2022 | 2021 |
| | £000s | £000s |
| Net increase / (decrease) in funds | 28.1 | 115.1 |
| Depreciation and amortisation | 51.3 | 31.5 |
| Loan funds incoming | 0.0 | (400.0) |
| Decrease / (increase) in debtors | (361.5) | (391.5) |
| Increase / (decrease) in creditors | (779.8) | 1,062.5 |
| Net cash (outflow) / inflow from operating activities | <u>(1,061.8)</u> | <u>417.6</u> |

13. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

| | 2021 | Group | 2022 |
|--------------------------|----------------|-------------------|----------------|
| | £000s | Change in year | £000s |
| | £000s | £000s | £000s |
| Cash at bank and in hand | 2,427.9 | (1,178.2) | 1,249.7 |
| | <u>2,427.9</u> | <u>(1,178.2)</u> | <u>1,249.7</u> |

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022****14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| 2022 | Unrestricted Funds £000s | Restricted Funds £000s | Total Funds £000s |
|-----------------------|---|---------------------------------------|------------------------------|
| Fixed assets | 70.8 | 0.0 | 70.8 |
| Current assets | 2,507.2 | 442.8 | 2,950.0 |
| Current liabilities | (1,108.2) | 0.0 | (1,108.2) |
| Long term liabilities | (326.6) | 0.0 | (326.6) |
| | <u>1,143.2</u> | <u>442.8</u> | <u>1,586.0</u> |
| | | | |
| 2021 | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
| Fixed assets | 79.3 | 0.0 | 79.3 |
| Current assets | 3,316.5 | 450.1 | 3,766.6 |
| Current liabilities | (1,888.0) | 0.0 | (1,888.0) |
| Long term liabilities | (400.0) | 0.0 | (400.0) |
| | <u>1,107.8</u> | <u>450.1</u> | <u>1,557.9</u> |

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022****15. RESTRICTED FUNDS**

| 2022 | Brought forward | Income | Expenditure | Transfers / gains | Carried forward |
|--|------------------------|----------------|--------------------|--------------------------|------------------------|
| American Express Foundation | (0.0) | 586.7 | 479.2 | | 107.5 |
| Baillie Gifford | 0.0 | 54.0 | 54.0 | | 0.0 |
| British Council Bangladesh | 2.5 | 54.3 | 56.8 | | 0.0 |
| Creative Scotland | 0.0 | 10.0 | 10.0 | | 0.0 |
| Grants for the development of Europe 101 programme | 0.0 | 31.1 | 28.5 | | 2.6 |
| Grants for the development of UK 101 programme | 71.3 | 0.0 | 71.3 | | 0.0 |
| Grants for Women Emerging from Isolation programme | 0.0 | 65.5 | 26.6 | | 38.9 |
| Heffner Rosenwald Foundation | 0.0 | 100.3 | 100.3 | | 0.0 |
| Islamic Relief Worldwide | 0.0 | 8.0 | 8.0 | | 0.0 |
| MAVA Foundation | 376.3 | 417.9 | 500.4 | | 293.8 |
| TOTAL | 450.1 | 1,327.8 | 1,335.1 | 0.0 | 442.8 |

| 2021 | Brought forward | Income | Expenditure | Transfers / gains | Carried forward |
|--|------------------------|---------------|--------------------|--------------------------|------------------------|
| American Express Foundation | 21.7 | 0.0 | 0.0 | (21.7) | (0.0) |
| Asfari Foundation | 7.5 | 0.0 | 7.5 | 0.0 | 0.0 |
| Islamic Relief Worldwide | 0.0 | 32.0 | 21.9 | (10.0) | 0.0 |
| British Council Bangladesh | 0.0 | 34.4 | 11.9 | (20.0) | 2.5 |
| MAVA Foundation | 647.1 | 378.7 | 649.4 | 0.0 | 376.3 |
| Grants for Women Emerging from Isolation | 28.5 | 9.0 | 0.1 | (37.5) | 0.0 |
| Creative Scotland | 0.0 | 9.0 | 9.0 | 0.0 | 0.0 |
| Grants for the development of UK 101 programme | 71.3 | 0.0 | 0.0 | 0.0 | 71.3 |
| TOTAL | 776.1 | 463.1 | 699.8 | (89.2) | 450.1 |

16. OPERATING LEASE COMMITMENTS – LESS THAN FIVE YEARS

The Trust is committed to making the following minimum annual rental payments in respect of leases expiring:

| | 2022 | 2021 |
|--|---------------------------|---------------------------|
| | Land and buildings | Land and buildings |
| Within: | £000s | £000s |
| more than one year and less than 5 years | <u>303.4</u> | <u>321.3</u> |

17. RELATED PARTY TRANSACTIONS

During the year, no directors or management entered into any related party transactions. There were no other related party transactions in the year.

Companies within the CPCT group routinely enter into transactions with other group companies. These transactions are to pay for staff engaged from other group entities, and to provide funding for programme costs where programmes were being delivered by a different group entity. Net inter-group debtor and creditor balances as at year end were as follows:

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2022**

| | 2022 | 2021 |
|--|----------------|----------------|
| | £000s | £000s |
| Common Purpose Asia-Pacific Ltd | 219.4 | 66.0 |
| Common Purpose Ltd | 237.1 | 51.3 |
| Common Purpose UK | 306.1 | 273.6 |
| Common Purpose Customised Limited | (12.0) | (12.0) |
| Common Purpose Charitable Trust | (304.2) | 42.1 |
| Common Purpose International | (89.1) | (77.6) |
| Common Purpose Student Experiences Ltd | <u>(357.5)</u> | <u>(343.4)</u> |
| Net intercompany debtor / (creditor) balance | 0.0 | 0.0 |