COMMON PURPOSE LIMITED

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024

Company registered number: 08613775

COMMON PURPOSE LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2024

CONTENTS

DIRECTORS

David Grace (Chair)
Twselo Kodisang (appointed 29 November 2023)
Mark Linder
Janis Sanders
Vandana Saxena Poria (resigned 3 May 2024)

REGISTERED OFFICE

Monmouth House
38 – 40 Artillery Lane
London E1 7LS

ADVISORS

Auditors:	HaysMac LLP, 10 Queen Street Place, London EC4R 1AG
Bankers:	National Westminster, 250 Regent Street, London W1B 3BN

The directors of the company are pleased to present their report together with the audited financial statements of the company for the reporting year ended 31 July 2024.

Activities
Common Purpose Limited ("the company" and "CPL") is a subsidiary of The Common Purpose Charitable Trust ("CPCT"). The company has three main areas of activity within the wider group: issuing licences to companies to sell and deliver Common Purpose programmes, a business unit focused on UK open and customised programmes and a business unit concentrating on customised work with our largest global clients, together with our flagship open programme, the Global Leaders Programme. As explained below, during the year the company also owned a new subsidiary, Common Purpose Evolve Careers Ltd.

1. **UK programmes**
   The UK business unit (UKBU) runs open programmes in the UK (The Common Purpose Programme, (TCPP) and customized work).

2. **Global Markets**
   This team combines three areas of activity – Global Partnerships includes the major commercial relationships; Global Programmes sells and delivers the Global Leadership Programme; and a new area of activity was an exploration of markets in Africa.

3. **Common Purpose Evolve Careers Ltd**
   During the year the company owned a new, wholly owned subsidiary, Common Purpose Evolve Careers Limited (CPEC). CPEC was incorporated on 6 July 2023, but only began trading on 1 August 2023. This company was formed to take over an initiative developed in Common Purpose Student Experiences Ltd providing on-demand learning to students transitioning into the world of work. The company sold all its shareholding in CPEC to the group parent, CPCT, as part of a further re-organisation of the group. The company sold CPEC for its book cost, with the sale being completed on 31 July 2024.

4. **Licences**
   The company manages the licensing arrangements with Common Purpose licensees, which in 2023/24 included Common Purpose Asia Pacific Ltd and Common Purpose Student Experiences Ltd, together with Common Purpose licensees operating in Germany, Hong Kong, Hungary, Ireland, India, South Africa, Turkey and the United States. Common Purpose Asia Pacific Ltd and Common Purpose Student Experiences Ltd are direct subsidiaries of Common Purpose Charitable Trust, the company's ultimate parent company.

   Two UK-based licensees, Common Purpose UK and Common Purpose International, are no longer trading and were dissolved in October 2023. Common Purpose Hungary remains dormant and did not trade during the year.

   The company had been considering acquiring the shares of its India licensee Civilia India Educational Programmes Pvt Ltd (CIEP). Following a review of the plans for activity in India, the company decided not to continue with this acquisition. CIEP will therefore remain as a licensee of the company.
   .
   The licence fee paid by licensees covers the use of Common Purpose's programmes and intellectual property, together with IT systems and services provided by a central Common Purpose team.

Objectives for the year
The key objectives for 2023/24 were:

- to maintain CPL as the engine of growth for Common Purpose by continuing to deliver large global programmes to its major corporate clients
- to support the rapid development and deployment of a new offering based on the transition from education to work through a new subsidiary, CPEC
- to build on the company's presence in Africa with targeted development of key markets in east and west Africa. This will include running the Africa Venture programme (formerly run by the South African licensee) and tapping into corporate opportunities in Tanzania, Kenya and Nigeria

- to continue to grow the UK business by expanding the reach and success of the key open programme, TCCP as well as organizational solutions work with corporates
- to continue to develop and enhance the company's IT systems and processes internally and externally to help provide a robust, secure and future-proof environment
- to continue with digital transformation and enhanced online experience for our staff, customers, participants and the alumni community.

Review of activities

a) UK Business Unit (UKBU)

The Common Purpose Programme (TCPP) is a core element of the UKBU work. This is a blended programme (i.e. delivered real-time online and in-person) with two distinct cohorts, one for high potential leaders, the other for established senior leaders. We ran programmes for both cohorts twice during the year, in the autumn and spring, and in three different geographies: London, Midlands and the South-West; the Northern Powerhouse; and Scotland and Northern Ireland.

TCPP programmes in 2023/24 involved 381 participants. As part of our investment in developing the pipeline of under-represented leaders, 80 full bursary places were given to participants, with a particular emphasis on Black, Asian and Minority Ethnic participants. As part of our social purpose commitments, most of these places are funded by Common Purpose itself but we would also like to thank Baillie Gifford, Community First Yorkshire and Lloyds Banking Group for their ongoing support for these scholarships.

In May 2024, in response to feedback from buyers and market intelligence, we launched two new open programmes for 24/25, Beacon for high potential and Lighthouse for senior leaders.

Legacy programmes for young leaders continued to be an important part of the UKBU portfolio and in 2023/24 five programmes were delivered in five locations – Glasgow, Northern Ireland, Newcastle, Leeds and Sunderland. These involved 303 young people aged 18-25 from a range of backgrounds. With the support of our local sponsors, we were able to offer programme places free-of-charge to all young people in those locations.

The UKBU also delivered customized programmes for a range of clients including repeat business of University of Edinburgh and RSM and the British Council and new work from the CBI and Cumberland Council. We were also commissioned by Islamic Relief UK to run a programme for UK leaders from diaspora communities from the MENA region.

UK university student work continues to do well despite a challenging external environment. We engaged 796 students from 17 universities as part of universities' careers and employability and/or global mobility strands. We also scaled some significant partnerships including our partnership with the University of Leeds.

b) Global Markets

The Global Markets business unit covers three programme areas:

- Global Partnerships is responsible for delivering customized programmes for large commercial organizations. In 2023/24, it ran programmes for four major international corporates Programmes were mostly delivered in person at the request of clients, and were run in London, New York and Mumbai, with supporting online components
- Global Programmes ran the flagship Global Leadership Programme, with participants meeting in London and Mumbai
- Africa, which led the Pan-Africa Venture programme and won other client work in Rwanda and South Africa.

c) IT and Support

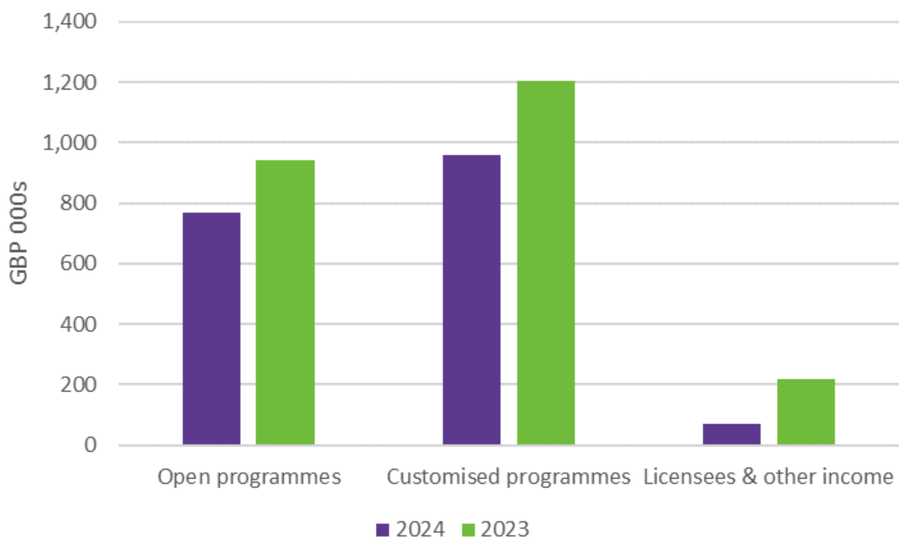
The team continued to provide IT services to all companies within the group, along with the licensees.

d) Licensees

- CP Deutschland: After a year of significant financial stress, CP Deutschland is now on a more stable footing and once again delivering surpluses.
- CP Ireland is growing strongly.
- CP India continues to support the group and remains profitable. It is looking to expand its offering organically in India.
- CP South Africa continues to operate and has had some major successes, despite the very challenging economic environment in South Africa.
- CP Turkey maintains it presence and work in Istanbul.

Results for the year

The company had a disappointing year and made a loss in 2023/24 of £1,276k (2022/23: profit of £146.7k). The company's turnover fell to £1,796k from £2,367.9k in 2022/23, a drop of 24%. Revenue was lower across all product sets as continuing economic uncertainty, particularly in the UK, which impacted its ability to attract participants to its programmes. Licence fee income, which is based on the revenues of licensees, fell by 54% over the previous year, reflecting lower revenue from one of three major licensees. The split in turnover between the three operating business units is shown below:



- Income from open programmes was £767k (2022/23: £942k)
- Income from customised courses fell to £957k (2022/23: £1,205k)
- Income from licensees of Common Purpose and from other sources fell to £72k (2022/23: 221k).

Costs overall were 38% higher than in 2022/23. Salary costs were unchanged over 2022/23 as vacant roles were not filled although this was partly offset by having to increase salaries in light of the higher cost of living. Programme delivery costs increased by 50% to £998k from £663k, reflecting higher venue and travel costs. Central overheads increased by 12%.

The company also recorded an exceptional cost of £424k, the result of writing off debtor balances owed to it by companies within the group that have now ceased trading.

Plans ahead for 2024/25

Management has streamlined the existing business units into a team focused on customised and organisational solutions, and a second team focused on social purpose. This will allow the teams to focus on single market segments, which typically operate very differently from one another, and bring together skills across different geographies to strengthen our sale efforts. Regarding the specific areas of each team:

- the customised and organisational solutions team will continue to maintain CPL as the engine of growth across large global programmes for its major corporate clients
- the social purpose team will further the company's mission by delivering a newly refreshed suite of programmes (Beacon, Lighthouse and Unplugged) both in the UK and internationally. Revenue from UK open programmes (£767k in 2023/24) will no longer be booked in the company but will instead be moved into the parent charity to better reflect the social purpose of the programme. Staff costs to the company will fall by approximately £235k
- the IT team will continue to develop and enhance the company's IT systems and processes internally and externally to help provide a robust, secure and future-proof environment.

The long-term ability of the company to continue operating independently from CPCT providing continued financial support is dependent on maintaining existing income streams and growing the client base. The changes mentioned above, together with further streamlining the sales teams to provide a clearer focus on profitable clients and markets, reducing costs will hopefully enable the company to return to profit over the coming 24 months and enable reserves to be built back to a prudent level over time.

Given the size of the loss in CPL in 2023/24, the directors of CPCT decided to capitalize a portion of this during 2024/25 to help restore the balance sheet of CPL. On 21 March 2025, CPL issued 250,000 ordinary shares with a nominal value of £1.00 per share at a premium of £3 per share (i.e. £4 per share), resulting in a share premium of £750,000. The total proceeds of £1m were allocated as follows:

£250,000 credited to share capital
£750,000 credited to the share premium account.

The share issuance was undertaken so that debt held by CPCT in the company could be converted to equity.

Going concern

The financial statements have been prepared on a going concern basis, although the company has a material uncertainty that may cast significant doubt upon its ability to continue as a going concern and therefore whether the company will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

During 2023/24 the company has not generated sufficient revenues to cover operating and other costs and made a loss for the year. The shortfall in revenues was funded throughout the year by CPCT. The intercompany balance of £1,450,065 was converted into an interest-bearing loan, along with an expected funding requirement for 2024/25 of £175,220. These loans and the interest cost for the year total £1,702,486.

Based on forecasts prepared for the 2024/25 financial year, the directors believe the company is unlikely to make a profit and generate sufficient cash to cover all its forecast operating and other costs during the year without the continued financial support of CPCT. However, the directors believe that following the business re-organization in November 2024, the company's long-term prospects are positive and that it will return to profit in the coming 24 months. The trustees of CPCT have assessed this and have agreed to continue to provide support for a further 12 months from the date of these accounts.

In response to this situation the directors of the company have taken the following actions:

- Agreed with CPCT that £1m of the loans and accrued interest due to CPCT will be capitalised as ordinary paid-up share capital in the company, with the remaining balance of £702,486 being payable to CPCT over three years
- As explained above, worked with CPCT on a restructuring of the business to make the Company's operations more efficient, to take out costs and to help generate more revenue and a higher net margin through the introduction of new products and services
- Obtained from CPCT a letter of support indicating its willingness to continue providing the company with ongoing financial support for twelve months following the signing of these accounts in the form of interest-bearing loans until such time as the company becomes cash flow positive

- Obtained confirmation from CPCT that their current intention is not to seek repayment of any of the new loans for at least the twelve months from the date of signing these accounts, or until such earlier time as the parent company considers the company has the necessary funds available to repay the outstanding amount.

The directors are mindful of the material uncertainty related to going concern disclosed in the financial statements of the parent company as a result of its trading difficulties and losses incurred during the financial year 2034/24 and also the actions being taken as a result by the directors of CPCT. They also recognise that any forecast of future activity and thus cash flow is inherently uncertain and that the amount and timing of any third-party investment is similarly uncertain.

The company's overall financial position and the specific matters set out above are all reviewed regularly by the directors, who remain satisfied as at the date of approving these financial statements that a combination of the above actions are together sufficient to mitigate the uncertainties facing the company and will enable the company to meet its debts as they fall due and justify preparing the financial statements on a going concern basis. The financial statements do not include any of the adjustments required if the Company was unable to continue as a going concern.

In conclusion, whilst the directors have implemented a number of measures in attempt to overcome the ongoing financial difficulties, the outcomes of these measures are as yet unknown, and hence the reason why they consider there to be a material uncertainty, and given the current material uncertainty present in Common Purpose Charitable Trust, this creates doubts as to the ability of the group to provide ongoing support to Common Purpose Limited.

Directors' insurance and indemnities
The directors have the benefit of the indemnity provisions contained in the company's Articles of Association, and the CPCT group has maintained throughout the year Directors' and Officers' liability insurance for the benefit of this company, the directors and its officers. The company's directors are covered under the parent entity's insurance policies in respect of:

- Professional indemnity
- Directors and individual liability
- Professional and legal liability

Directors' responsibilities statement
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

In preparing this report the directors have taken advantage of the exemptions available to small companies.

Approved by the directors on 21 March 2025 and signed on their behalf by

David Grace
Director

Opinion

We have audited the financial statements of Common Purpose Limited (the 'company'), for the year ended 31 July 2024, which comprise the Profit and Loss account, Balance sheet 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 company's affairs as at 31 July 2024 and of its loss 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 company 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.

Material uncertainty relating to going concern

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

We draw attention to note 2, on pages 13 and 14 of these financial statements, which describes the material uncertainty relating to the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

As shown in the Profit and Loss Account, on page 11, the Company has incurred a loss this year, amounting to £1,276k, which has led to the Company being having net liabilities of £1,208k, at the Balance sheet date.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 6, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Company 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, income tax, payroll tax 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 posting inappropriate journal entries to revenue and management bias in accounting 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;
- Identifying and testing accounting 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Steven Harper (Senior Statutory Auditor)
For and on behalf of HaysMac LLP
Statutory Auditors

10 Queen Street Place
London
EC4AR 1AG

Date:

COMMON PURPOSE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2024

	Note	2024	2023
		£000s	£000s
Turnover			
Open programmes		767	942
Customised programmes		957	1,205
Licensees		75	164
Total turnover		**1,799**	**2,311**
Administrative expenses	4		
Salaries		(846)	(838)
Programme costs		(998)	(663)
Overhead and central recoveries		(804)	(720)
Total administrative expenses		**(2,648)**	**(2,221)**
Other income		**(3)**	**57**
Exceptional Costs	5	**(424)**	**-**
(Loss) / profit on ordinary activities before taxation		**(1,276)**	**147**
(Loss) / Profit		**(1,276)**	**147**

All of the company's activities are classed as continuing.

The company has no recognized gains and losses other than those shown above.

The notes on pages 13 – 21 form part of these financial statements.

BALANCE SHEET

AS AT 31 JULY 2024

		2024		2023	
	Note	£000s	£000s	£000s	£000s
Fixed assets					
Intangible fixed assets	6		6		10
Tangible fixed Assets	6a		20		31
Current assets					
Debtors and accrued income	7	498		960	
Cash at bank and in hand		9		16	
		507		976	
Creditors: amounts falling due within one year	8	(1,661)		(847)	
Deferred income		(37)		(90)	
Accrued expense		(43)		(12)	
		(1,741)		(949)	
Net current asets			(1,234)		27
Total assets less current liabilities			(1,208)		68
Net assets			(1,208)		68
Capital and reserves					
Accumulated losses			(1,208)		68
Issued share capital	9		0		0
			(1,208)		68

This report has been prepared in accordance with the special provision of the Companies Act 2006 relating to small entities.

The company has issued share capital of £1.00.

The financial statements were approved and authorized for issue by the Board of Directors on 21 March 2025 and were signed below on its behalf by:

David Grace
Director

The notes on pages 13 – 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2024

	Called up share capital	Profit and loss account	Total equity
At 31 July 2023	0	68	68
Comprehensive income for the year			
Loss for the year	0	(1,276)	(1,276)
Distribution to parent charity	0	0	0
At 31 July 2024	0	(1,208)	(1,208)

1. ENTITY STATUS

Common Purpose Limited is a private company limited by guarantee, registered in England and Wales under number 8613775. Its registered office address is shown on page 1. It has one subsidiary, Common Purpose Hong Kong Ltd acquired on 4 August 2022. It set up Common Purpose Evolve Careers Limited, which began trading on 1 August 2023 and sold it to CPCT on 31 July 2024 for £1.

2. ACCOUNTING POLICIES

Accounting basis

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards (“UK GAAP”), including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") Section 1A, Small Entities.

Common Purpose Limited has not prepared group financial statements on the basis that Common Purpose Limited and its subsidiary undertakings are included in the group accounts of the ultimate parent undertaking, Common Purpose Charitable Trust. These financial statements therefore exclude the result of the company’s subsidiaries.

Assets and liabilities are initially measured at cost or transaction value. There are no items requiring subsequent re-measurement at fair value. The company holds only basic financial instruments. There are no areas of material estimation uncertainty.

Revenue

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

Turnover represents the transaction value, which is also the fair value, of fees invoiced in respect of customized courses, net of VAT and discounts.

Income and expenditure related to individual 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.

Going concern

The financial statements have been prepared on a going concern basis, although the company has a material uncertainty that may cast significant doubt upon its ability to continue as a going concern and therefore whether the company will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

During 2023/24 the company has not generated sufficient revenues to cover operating and other costs and made a loss for the year. The shortfall in revenues was funded throughout the year by CPCT. The intercompany balance of £1,450,065 was converted into an interest-bearing loan, along with an expected funding requirement for 2024/25 of £175,220. These loans and the interest cost for the year total £1,702,486.

Based on forecasts prepared for the 2024/25 financial year, the directors believe the company is unlikely to make a profit and generate sufficient cash to cover all its forecast operating and other costs during the year without the continued financial support of CPCT. However, the directors believe that following the business re-organization in November 2024, the company's long-term prospects are positive and that it will return to profit in the coming 24 months. The trustees of CPCT have assessed this and have agreed to continue to provide support for a further 12 months from the date of these accounts.

In response to this situation the directors of the company have taken the following actions:

- Agreed with CPCT that £1m of the loans and accrued interest due to CPCT will be capitalised as ordinary paid-up share capital in the company, with the remaining balance of £702,486 being payable to CPCT over three years
- As explained above, worked with CPCT on a restructuring of the business to make the Company's operations more efficient, to take out costs and to help generate more revenue and a higher net margin through the introduction of new products and services
- Obtained from CPCT a letter of support indicating its willingness to continue providing the company with ongoing financial support for twelve months following the signing of these accounts in the form of interest-bearing loans until such time as the company becomes cash flow positive
- Obtained confirmation from CPCT that their current intention is not to seek repayment of any of the new loans for at least the twelve months from the date of signing these accounts, or until such earlier time as the parent company considers the company has the necessary funds available to repay the outstanding amount.

The directors are mindful of the material uncertainty related to going concern disclosed in the financial statements of the parent company as a result of its trading difficulties and losses incurred during the financial year 2034/24 and also the actions being taken as a result by the directors of CPCT. They also recognise that any forecast of future activity and thus cash flow is inherently uncertain and that the amount and timing of any third-party investment is similarly uncertain.

The company's overall financial position and the specific matters set out above are all reviewed regularly by the directors, who remain satisfied as at the date of approving these financial statements that a combination of the above actions are together sufficient to mitigate the uncertainties facing the company and will enable the company to meet its debts as they fall due and justify preparing the financial statements on a going concern basis. The financial statements do not include any of the adjustments required if the Company was unable to continue as a going concern.

In conclusion, whilst the directors have implemented a number of measures in attempt to overcome the ongoing financial difficulties, the outcomes of these measures are as yet unknown, and hence the reason why they consider there to be a material uncertainty, and given the current material uncertainty present in Common Purpose Charitable Trust, this creates doubts as to the ability of the group to provide ongoing support to Common Purpose Limited.

Depreciation

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

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.

Intangible fixed assets and amortisation

Software costs and the costs of acquiring trademarks are capitalised at cost.

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

Software costs	33% straight line
Trademarks	20% straight line

Where factors, such as technological advancement or market developments, indicate that the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended as necessary to reflect the new circumstances.

Intangible assets are also reviewed for impairment if any of the above factors indicate that their carrying values may be impaired or if there is any other evidence to suggest that their fair market values may be less than their carrying value.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:
- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Post balance sheet events

As disclosed in the Directors' report above, the company suffered a loss in 2023/24. Given the size of the loss and the company's reliance on support from its parent entity, the directors of CPCT decided to capitalize a portion of this during 2024/25 to help restore the balance sheet of CPL. On 31 January 2025, CPL issued 250,000 ordinary shares with a nominal value of £1.00 per share at an issue price of £4.00 per share, resulting in a share premium of £750,000. The total proceeds of £1m were allocated as follows:

£250,000 credited to share capital.
£750,000 credited to the share premium account.

The share issuance was undertaken so that debt held by CPCT in the company could be converted to equity.

Immediately upon issuance, the Board of CPL approved the cancellation of the share premium as part of a capital restructuring. The premium was transferred to the retained earnings, in accordance with the Companies Act 2006.

In November 2024 the management of CPCT undertook a business re-organization to better align business units with client activity and specialisms. As a result, open programme income that was booked in the company was moved to the parent charity, CPCT. The key purpose of this move was to group all the social outreach programmes of the group into one business unit and company. This is expected to result in a reduction in the company of £767k in revenue and approximately £230k in salary costs.

3. EMPLOYEE COSTS

The company did not directly employ staff during year or during the previous year (2022/23). Employee costs are incurred by the company's parent, CPCT, and recharged to the company. The directors did not receive any remuneration during the current or previous year.

4. ADMINISTRATIVE EXPENSES

The company utilizes shared administrative support from its parent company, CPCT. The amounts paid for this are shown in the Profit and Loss statement under Overhead and Central Recoveries.

5. EXCEPTIONAL ITEMS

An exceptional cost of £424k was recognized in the year as two intercompany balances were written off. These balances were due from companies that were dissolved in August 2023 and were not recoverable.

6. NET MOVEMENT IN FUNDS

The net movement in funds is arrived at after charging:

	2024	2023
	£000s	£000s
Depreciation and amortisation	21	42
Auditors' remuneration	11	10

7. INTANGIBLE FIXED ASSETS

	Trademarks	Software Cost	Total
	£000s	£000s	£000s
COST			
At 1 August 2023	8	11	19
At 31 July 2024	8	11	19
AMORTISATION			
At 1 August 2023	4	4	8
Charge for year	1	4	5
At 31 July 2024	5	8	13
NET BOOK VALUE			
At 31 July 2024	3	3	6
At 31 July 2023	4	7	11

6a. TANGIBLE FIXED ASSETS

	Hardware Cost	Total
	£000s	£000s
COST		
At 1 August 2023	114	114
Additions	5	5
At 31 July 2024	119	119
DEPRECIATION		
At 1 August 2023	82	82
Charge for year	17	17
At 31 July 2024	100	100
NET BOOK VALUE		
At 31 July 2024	20	20
At 31 July 2023	32	32

8. DEBTORS

	2024	2023
	£000s	£000s
Trade debtors	186	363
Accrued income	52	149
Amounts due from group undertakings	260	448
	498	960

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£000s	£000s
Trade creditors	152	102
Amounts due to group undertakings	1,464	769
Other taxes and social security	45	(24)
	1,661	847

10. SHARE CAPITAL

The company has issued share capital of £1.00, held by CPCT.

	2024	**2023**
	£	£
Authorised: 1 ordinary share of £1 each	1	1
Issued: 1 ordinary share of £1	1	1

11. ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking is The Common Purpose Charitable Trust, a company limited by guarantee, registered in England and Wales under company number 2832875 and registered charity number 1023384. The Common Purpose Charitable Trust heads the smallest and largest group for which consolidated accounts are prepared. Consolidated financial statements for the Common Purpose Charitable Trust are available at www.charitycommission.org.uk.

12. RELATED PARTIES

Common Purpose Limited has taken advantage of the exemptions available from disclosing transactions with other members of the Common Purpose Charitable Trust group. There were no transactions which require disclosure in the current or previous financial year.

13. SUBSIDIARY

At 31 July 2023 Common Purpose Limited had two subsidiaries, Common Purpose Hong Kong Ltd and Common Purpose Evolve Careers Ltd (CPEC). The company sold CPEC to CPCT on 31 July 2024. As set out in note 2 to the financial statements, the results of the subsidiary undertaking is excluded from these financial statements on the basis that Common Purpose Limited and its subsidiary are consolidated in the accounts of the ultimate parent undertaking, The Common Purpose Charitable Trust.

The income, expenditure, assets and liabilities of the only subsidiary as at 31 July 2024 are as follows:

Common Purpose Hong Kong Ltd

	2024	2023	2024	2023
Income	HK $000s	HK $000s	£000s	£000s
Income from trading activities	727	100	74	11
Net cost recoveries from other group entities	72	244	7	26
Bank interest	0	1	0	0
Total income	799	345	81	37
Expenditure				
Trading activities	(625)	(996)	(64)	(105)
Retained profit / (loss)	174	(651)	17	(68)
Assets	932	339	95	36
Liabilities	(1,066)	(647)	(108)	(68)
(Deficit) on reserves	(134)	(308)	(13)	(32)