



COMMON PURPOSE UK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

Company registered number: 3556983
Charity registered number: 1023384
Scottish charity registered number: SCO41166

COMMON PURPOSE UK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

| CONTENTS | Page |
|-----------------------------------|-------------|
| Report of the Trustees | 1 - 11 |
| Independent Auditor's report | 12 - 13 |
| Statement of financial activities | 14 |
| Balance sheet | 15 |
| Cash flow statement | 16 |
| Notes to the financial statements | 17 - 22 |

COMMON PURPOSE UK

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2014

The Trustees of Common Purpose UK ("Common Purpose" or the "Company") are pleased to present their annual report together with the audited financial statements for the year ended 31 July 2014, 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 (SORP 2005).

1. OBJECTIVES AND AIMS

The charitable objective of Common Purpose is the advancement of education for the public benefit and the charitable objects are described in its governing document as:

"the advancement of education for the public benefit and in particular but without prejudice to the generality of the foregoing to educate men and women and young people of school age, from a broad range of geographical, political, ethnic, institutional, social and economic backgrounds in constitutional, civic, economic and social studies with special emphasis on civil and social awareness and responsibility in the United Kingdom and elsewhere."

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'.

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

Ethos and vision

Common Purpose gives people from the private, public and not-for-profit sectors 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 4,000 leaders each year from over 100 countries across six continents.

We are the **global** provider of **leadership development** to help people of the world to **work together** to solve common problems.

- **Local and global:** we operate locally in major cities around the world and we connect them through our global programmes.
- **Leadership development:** we deliver experiential leadership development and ensure that our participants leave with clear thinking on how to apply their learning back in the workplace and in wider society. As a result, all leaders, from all backgrounds - have a far more sustained impact.
- **Work together:** we convene leaders across sectors and from all backgrounds so that they learn to cross boundaries and see how diversity brings fresh perspectives and sparks innovation.

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

2. COMMON PURPOSE UK

The goal for 2013/14 was to build the next iteration of a sustainable financial model in each local cost centre with each delivering a mixed portfolio of open and customised courses. The strategy was to achieve a surplus to help build the group general reserves at the year end.

Performance against objectives is as follows:

- 1. Supporting London and Scotland to become key international markets for Common Purpose UK through customised and ventures work.**

We appointed Scotland and London Directors to the Senior Management Team (SMT) to develop London and Scotland as key international markets for Common Purpose UK through customised and ventures work. We aim to continue this development by running the CSCLeaders programme in London in 2015 and are exploring the idea of doing the same in Scotland in 2016.

- 2. Expanding our conversation with universities beyond Frontrunner and continue to build our customised work portfolio at a regional level.**

We did development work with staff at leading universities and have further invested in 2015 in a dedicated Front runner team to lead and grow local student work.

- 3. Building on regional visibility for the Common Purpose brand through a measurable improvement in social media presence.**

We have dedicated local team resource to enhance our presence on LinkedIn and Twitter to build regional visibility for the Common Purpose brand.

- 4. Promoting an entrepreneurial culture, keeping close to the customer making sure we offer the right product, adjusting as required.**

We have introduced InnoVenture techniques on our Meridian Programmes to promote an entrepreneurial culture.

- 5. Working with the Board and SMT to manage revenue risk by identifying opportunities such as sponsorship, future growth regions, increasing our average fee level in regions that are below the national fee average.**

We looked at those cities where we might enhance the participant experience by extending the programme to encompass neighbouring towns and cities because of the connectivity between them. We did this in Manchester in 2013 where we extended our curriculum and group to include Liverpool.

- 6. Improve resource capabilities and capacity through the use of flexible resource and supporting our staff with core competency training and investing in the leadership potential of SMT.**

We rolled out a training plan across the UK focusing on chairing, selling and key account management to improve staff understanding on the need to work flexibly across the UK. We also had Management Strategy Meetings to bring SMT and Course Directors together twice during the year to ensure the leadership and operation was aligned.

3. OPEN COURSES

We run a series of open courses, each one designed for people at different stages of their careers and lives. These courses are open to all applicants. The four features that make our courses unique are:

- We deal with real life issues and insights, so our courses are neither classroom nor lecture based
- Because people apply for our courses from many different backgrounds and diverse outlooks, we create an environment in which participants are open to working with different people, in new ways and places
- We connect people who might otherwise never meet. As a result, participants develop working relationships that encourage collaboration
- We give participants an understanding of the local context in which they do their jobs, the impact of their decisions and the contribution they can make

During 2013/14 we ran 25 open courses across the UK, as follows:

| | 2013/14 | 2012/13 |
|---------------------------------|-----------|-----------|
| 1. Meridian | 12 | 10 |
| 2. Inside OUT | - | 4 |
| 3. Common Purpose Navigator | 6 | 6 |
| 4. 20:20 | 1 | 2 |
| 5. Profile / Profile Plus | 4 / 1 | 5 |
| 6. Dishaa, Itijah and Dao Xiang | 1 | 3 |
| TOTAL | <u>25</u> | <u>30</u> |

The drop in the number of courses during the year is the direct result of a shift in the demand from open courses to customised work.

Courses for established leaders

The following courses are for established leaders from all sectors and backgrounds who are already experienced at delivering outcomes and managing people and priorities:

1. *Meridian - based in metropolitan areas.*
2. *Profile Plus - based in places that encircle a metropolitan area.*

During the courses, participants work together on real-life challenges - based on anything from a prison to a casualty ward, a trading floor to a manufacturing unit - in small groups, learning constantly from each other, the contributors and the experience of operating in unfamiliar situations.

Courses for leaders in the early stage of their career

3. *Common Purpose Navigator is for people in the early stage of their career, from all sectors and backgrounds, who already have some management responsibility and are tipped to be the leaders of the future in their community or organisation.*

Its local nature enables participants to connect with their own community and its international reach stretches them beyond it. It challenges participants to face up to complex problems to become leaders who can deliver results by building and leading collaboration.

Courses for leaders in the advanced stages of their career

- 4. 20:20 is for leaders, from all sectors and backgrounds, who are increasingly operating at a national level.*

20:20 has two central themes - wealth creation and governance - which are explored in the context of increasing globalisation. Participants learn about the key economic, political, technological and social trends in society. This forms the backdrop for participants to investigate how leaders deal with constantly changing situations, stakeholders who are going in different directions, partners and systems they do not understand and timescales - far shorter or far longer - than they would like.

- 5. Profile is a fast-paced course for people who want a briefing on the place where they live or work as an introduction or an update.*

Participants discover the important trends, the key institutions and the main players locally and hear first hand from some of the leaders who are tackling local issues.

Applications to open courses

People apply to attend our courses from all sectors and social groups with the widest possible variety of beliefs and backgrounds. Some apply because they hold a voluntary position, others because they are chief executives of local companies. We welcome applications from anyone, anywhere, who currently holds a leadership position and wants to develop their skills.

The broad mix of people from a wide range of backgrounds, professions, sectors, and communities is essential to the learning process and the outcomes of each course. This is made possible by the Local Advisory Groups, who ensure that participant groups are diverse and reflect the makeup of the local area.

Open course fees and bursaries

The fees for the open courses range from £500 for a one day course, workshop or event, to £4,500 for a modular course which runs over six months, or a four day residential course for £5,750. During 2013/14, the fees were held at a similar level to 2012/13. The fees are set so as to recover the direct costs of running a course, which include residential venue and staff costs, and make a contribution to the central support costs, which include curriculum development, marketing, finance and IT.

We are totally committed to ensuring that our courses are open to all and not simply to those who can pay fees. Ability to pay is not part of the application process and each course maintains a bursary fund for people who are unable to meet the full fee. Sometimes we offer almost full bursaries and sometimes part bursaries and every participant is asked to make some contribution. In 2013/14 we had 559 (2012/13: 620) participants on our open courses, 78% (2012/13: 77%) of whom received either full bursary support or part bursaries. In total 438 (2012/13 478) participants over the year were in receipt of part or almost full bursaries, which represents a £705,995 (2012/13: £798,416) reduction in fee income. The bursary figure also includes discounted course fees offered for multiple purchases.

Most of the bursaries are provided by Common Purpose itself but we also receive some sponsorship. During the year ended 31 July 2014, this amounted to £18,750 (2012/13: £13,000). The commitment to bursaries is

also made possible thanks to support in kind from supporters and contributors which keeps our costs down and for which we are very grateful.

Youth courses

Fronrunner is a course, free of charge for participants, which helps university-age people, who have a track record of leading change, to set their sights even higher as they look beyond full time education. Participants visit a wide range of organisations and question leaders from many different walks of life. This gives the next generation of inspiring leaders a rare opportunity to broaden their knowledge of the real world, plan for their future and further develop their leadership skills. In 2013/14 we had 576 participants on Fronrunner courses, 70 on Fronrunner Plus and 152 on Fronrunner workshop - 798 in total.

Your Turn is a leadership development course for young people, often run in partnership with schools. It challenges young people to re-examine the place they live in and the world around them, to explore how decisions are made and see how they can make change happen.

All young people on our youth courses are in receipt of bursaries. Some bursaries are provided by sponsors, particularly Schools, Local Education Authorities and Universities, the rest are provided by Common Purpose itself.

Other events and activities

We also run Quests, one day events giving participants the opportunity to go beyond the confines of their location and spend a day immersed in the economic, political and social context of another (at home or overseas), learning lessons and comparing challenges with leaders from across the world.

A group of programmes involving Common Purpose UK includes Dishaa (between the UK and India), Dao Xiang (London-Shanghai) and Itijah (cities in Europe and the Arab World) are designed to connect future leaders across the world to tackle challenges which are common and compelling, big (enough to be worth the effort) and small (enough to be grasped). They encourage participants to work in new directions to develop innovative approaches to new (and old) problems, which is why the names of all these programmes mean "direction" in different languages. Participants will present their findings to many different audiences over the year following the programme.

4. PLANS FOR THE FUTURE

1. Open courses

We will focus on local open courses, increasing participant numbers and the number of full fees and the size of part fees.

2. Student work

We will direct our attention more to student work by appointing a dedicated UK team and working to a new Fronrunner delivery model. Our aim is to bring Fronrunner to more universities and increase the number of students involved in each one.

3. London

We will be recognising London's position as a global 'Magnet City' and focus on big delivery pieces such as CSCLeaders, American Express Not-for-Profit Leadership Academy and also work alongside the group associated company, Common Purpose Global Customised, on big local customised pieces of work.

4. Customised work

We will work with our trading company, Common Purpose Customised Limited, to grow our customised business by focusing on customising the work we do on open courses, while playing to our core and strengths of Leading Beyond Authority and Cultural Intelligence. We will continue to

promote Collabs and Innoventures on our programmes and build strategic partnerships to grow customised work.

5. Impact and visibility

We will focus on good quality impact stories that measure the social and educational impact of our courses.

6. Customer experience

We will keep close to customers and focus on our KPIs to ensure we offer the right product and continue to enhance customer experience.

5. REVIEW OF FINANCIAL ACTIVITIES

The net movement in unrestricted funds for the year ended 31 July 2014 was a surplus of £281,175 which was donated under Gift Aid to the parent company, The Common Purpose Charitable Trust (2013: surplus of £127,126). The net movement in restricted funds for the year was £5,494 (2013: £76,809). Details of the results for the year are given in the Statement of Financial Activities on page 14.

Donated goods and services

During the year expenditure in Common Purpose was kept to a minimum through the receipt of significant support in kind received locally and nationally. Generous support was received in kind from supporters who act as advisors, speakers, contributors and hosts on the course days. Such contribution enables Common Purpose to run the high quality and range of courses currently in operation as well as enabling Common Purpose to offer bursary and part bursary places on those courses. During 2014, donated goods and services amounted to £456,512 compared with £554,286 in 2013. The decline for in kind support is the direct result of the reduction in UK open courses from 30 in 2012/13 to 25 in 2013/14.

Income from charitable activities

In 2013/2014 our courses continued to be funded through a combination of tuition fees, bursaries and sponsorship. These sources covered both direct costs incurred locally and the indirect costs of central services provided by the central office in London.

Income from charitable activities decreased from £2,172,446 (includes £193,257 from Customised) in 2013 to £2,101,359 (includes £183,686 Customised) in 2014, resulting mainly from the decrease in fee income.

The decline in fee income, which fell by £67,204 or 4% from £1,808,717 in 2013 to £1,741,513 in 2014, was mainly due to open course fee income. The local customised and youth course income remained close to last year level.

COMMON PURPOSE UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 JULY 2014

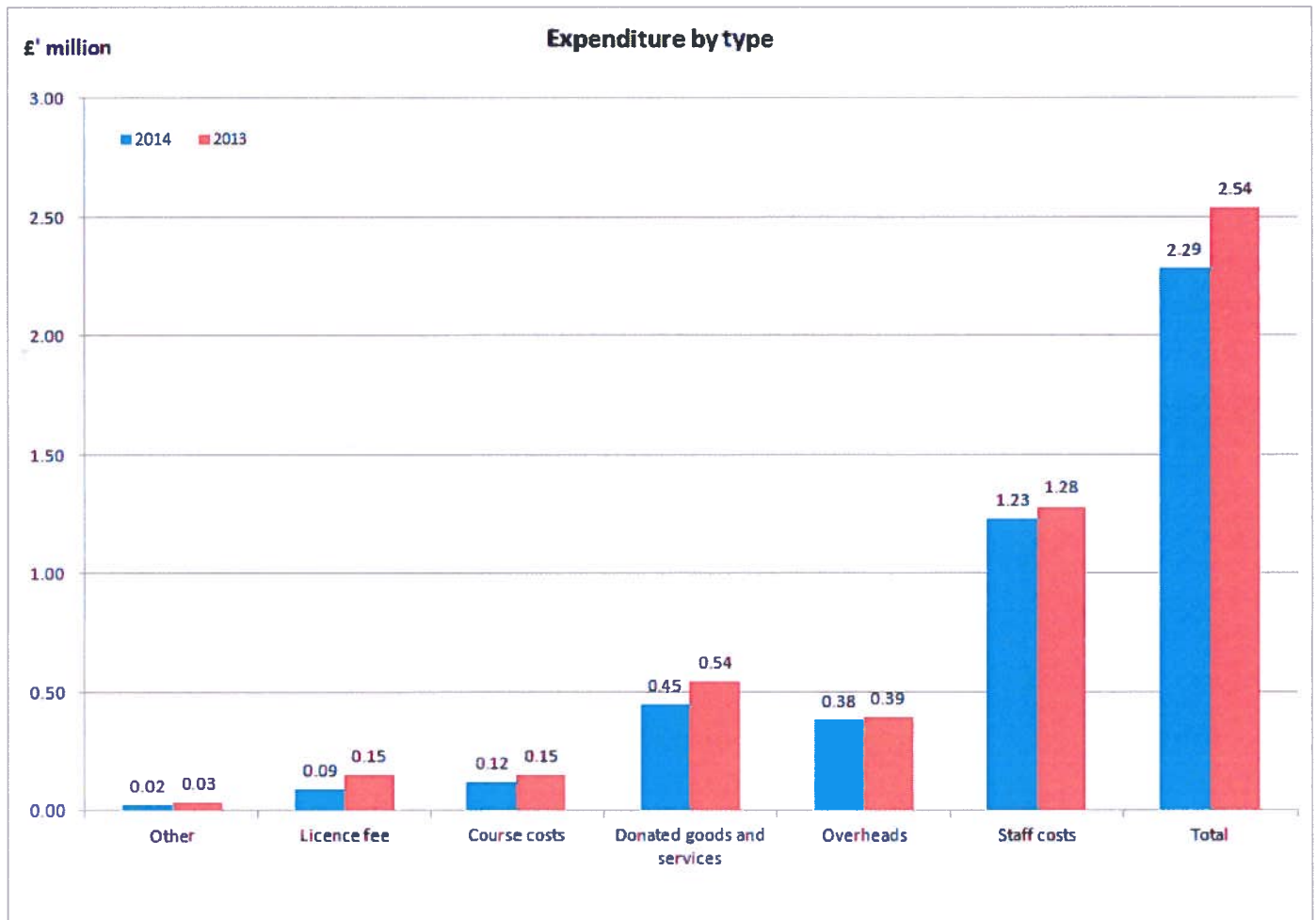
Set out is a summary of the course fee income by course type.



Expenditure

Total expenditure in 2014 amounted to £2,285,042 compared with £2,538,109 in 2013, a decrease of £253,067. This is mainly due to savings in staff, licence fees and programme cost.

Expenditure by type, rather than activity, for 2014 compared with 2013, is shown below.



6. RESERVES POLICY

The policy of the Trustees is to manage the Charity activities so as to cover its costs and Gift Aid its surplus to the ultimate parent company, The Common Purpose Charitable Trust. As a result, this year a surplus was covenanted to the Trust.

7. REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1023384
Company number: 3556983
Scottish charity registered number: SCO41166
Registered office: Discovery House
28-42 Banner Street
London
EC1Y 8QE

COMMON PURPOSE UK

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2014

8. ADVISORS

| | |
|-----------|--|
| Auditor's | haysmacintyre, 26 Red Lion Square, London, WC1R 4AG |
| Bankers | National Westminster, Cavendish Square Branch, PO Box 4NU, 1 Cavendish Square, London W1A 4NU |

9. TRUSTEES AND DIRECTORS

Bishop Timothy John Stevens (Chair)
Sir John Elvidge (resigned on 09.11.2013)
Simon Russell
Caroline Jean Stuart
Eamonn John Boylan (appointed on 14.03.14)
Philip Duncan Wright (appointed on 14.03.14)
Letitia Corinna Andrewartha (appointed on 14.03.14)

All served throughout the year ended 31 July 2014, unless indicated otherwise.

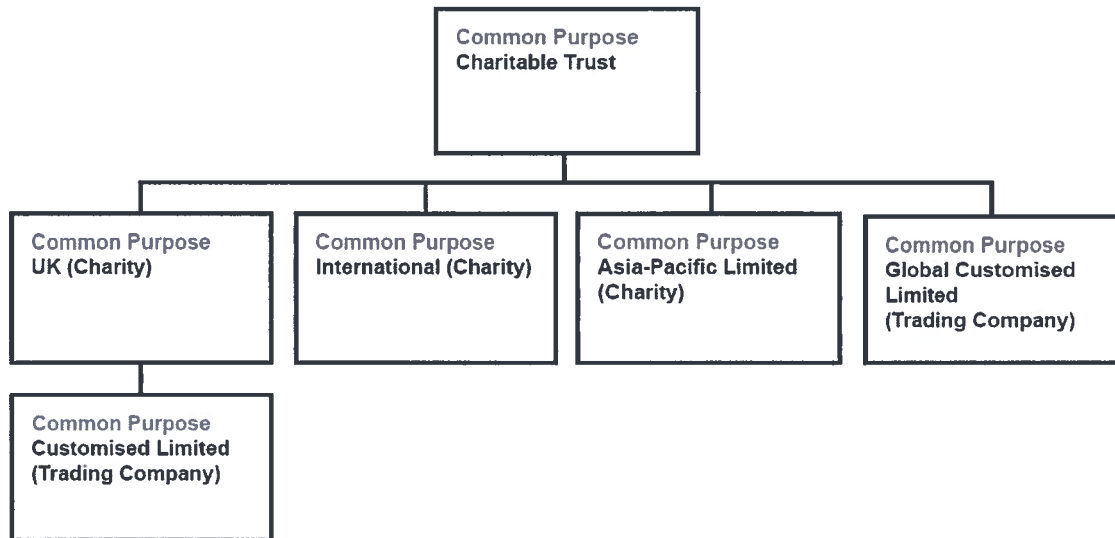
Chief Executive Officer

Marie Mohan

10. STRUCTURE, GOVERNANCE AND MANAGEMENT

Common Purpose Charitable Trust is the parent company in a group structure. Most of the Trust's activities are carried out through the subsidiary organisations:

- Common Purpose UK, a charity registered in England
- Common Purpose International, a charity registered in England
- Common Purpose Asia-Pacific Limited, a charity registered in Singapore
- Common Purpose Global Customised Limited, a trading company which manages the international licencing arrangements, the provision of services to licensees and delivers customised courses to global clients. Common Purpose Global Customised Limited, a company registered in England, is a wholly owned subsidiary of Common Purpose Charitable Trust.
- Common Purpose Customised Limited, a trading company which delivers customised courses to UK clients. Common Purpose Customised Limited, a company registered in England, is a wholly owned subsidiary of Common Purpose UK.



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.

Policies and procedures for training and 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 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.

Organisational structure and decision making

The Trustees of Common Purpose UK 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 in the implementation of the strategic objectives of the companies within the group and act to safeguard the organisation's independence and brands.

In each local area in which Common Purpose operates, a Local Advisory Group is set up, the chair of which is appointed by the chair of the Trustees. 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.

Risk review statement

The Trustees have established an annual risk assessment process which identifies the major foreseeable risks faced by the Charity, assessing their likelihood and impact, and as appropriate implementing

COMMON PURPOSE UK

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2014

measures to mitigate these risks. The Trustees have reviewed the major risks to which the Charity is exposed and are satisfied that appropriate systems have been established to mitigate those risks.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Common Purpose UK 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 company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

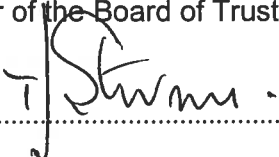
- Select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material 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 company will continue in business.

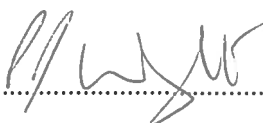
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 company'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.

By order of the Board of Trustees on 3.3.15 2015


.....
Trustee


.....
Trustee

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMMON PURPOSE UK**

We have audited the financial statements of Common Purpose UK for the year ended 31 July 2014 which comprises the Statement of Financial Activities, Balance Sheet, the Cash Flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and to the charitable company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, 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

We have been appointed auditors under Section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2014 and of its incoming resources and application of resources, including its 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMMON PURPOSE UK**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled take advantage of the small companies exemption in preparing the Trustees' Report (incorporating the Strategic Report).

R Weaver

Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre
Chartered Accountants and Statutory Auditors

26 Red Lion Square
London
WC1V 6AY

.....*31 March*..... 2015

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

COMMON PURPOSE UK

STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account)

FOR THE YEAR ENDED 31 JULY 2014

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2014 £ | Total Funds 2013 £ |
|--|------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Incoming resources | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | |
| Donated goods and services | | 456,512 | - | 456,512 | 554,286 |
| Bank interest | | 35 | - | 35 | 34 |
| <i>Incoming resources from charitable activities</i> | | | | | |
| Course fees | | 1,741,013 | - | 1,741,013 | 1,808,717 |
| Local sponsors & project income | | 16,557 | 182,303 | 198,860 | 292,309 |
| Cost recoveries from related entities | | 161,486 | - | 161,486 | 71,420 |
| <i>Other income</i> | | 13,805 | - | 13,805 | 15,278 |
| Total incoming resources | | <u>2,389,408</u> | <u>182,303</u> | <u>2,571,711</u> | <u>2,742,044</u> |
| Resources expended | | | | | |
| <i>Charitable Activities</i> | | | | | |
| Youth courses | | 418,668 | - | 418,668 | 453,771 |
| Open courses | | 1,590,485 | - | 1,590,485 | 1,708,588 |
| Customised courses | | 56,440 | 176,809 | 233,249 | 250,018 |
| Expenditure incurred in respect of related entities | | - | - | - | 71,420 |
| <i>Governance</i> | | 42,640 | - | 42,640 | 54,312 |
| Total resources expended | 5 | <u>2,108,233</u> | <u>176,809</u> | <u>2,285,042</u> | <u>2,538,109</u> |
| Net movement in funds | 2 | 281,175 | 5,494 | 286,669 | 203,935 |
| Surplus Gift Aid to CPCT | | (281,175) | - | (281,175) | (127,126) |
| Fund balances brought forward as at 1 August | | 48,086 | 76,809 | 124,895 | 48,086 |
| Fund balances carried forward As at 31 July | | <u>48,086</u> | <u>82,303</u> | <u>130,389</u> | <u>124,895</u> |

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

BALANCE SHEET

AS AT 31 JULY 2014

| | Note | 2014 | | 2013 | |
|--|------|----------------|-----------------------|----------------|-----------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible fixed assets | 6 | | 23,338 | | 11,986 |
| Investment | 7 | | 150,000 | | - |
| Current assets | | | | | |
| Debtors | 8 | 339,862 | | 434,682 | |
| Cash at bank and in hand | | 283,104 | | 402,069 | |
| | | <u>622,966</u> | | <u>836,751</u> | |
| Creditors: amounts falling due within one year | 9 | (665,915) | | (723,842) | |
| Net current assets | | | <u>(42,949)</u> | | <u>112,909</u> |
| Total assets less current liabilities | | | <u><u>130,389</u></u> | | <u><u>124,895</u></u> |
| RESERVES | | | | | |
| Unrestricted funds | | | 48,086 | | 48,086 |
| Restricted funds | 15 | | 82,303 | | 76,809 |
| | | | <u>130,389</u> | | <u>124,895</u> |

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

3 March 2015

.....
Trustee

.....
Trustee

COMMON PURPOSE UK

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2014

| | Note | 2014 £ | 2013 £ |
|--|-------------|-------------------|-------------------|
| Net cash inflow from operating activities | 10 | 55,727 | 374,101 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 35 | 34 |
| Capital expenditure and financial investments | | | |
| Payments to acquire tangible fixed assets | | (24,727) | (7,710) |
| Payment to acquire fixed asset investment | | (150,000) | |
| Increase/ (decrease) in cash | 11 | <u>(118,965)</u> | <u>366,425</u> |

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost basis and in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities* issued in 2005, with applicable accounting standards and the Companies Act 2006.

(b) 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.

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

(c) Incoming resources

Incoming resources represent the total income receivable during the year comprising tuition fees, local sponsors, bursaries, project income, bank interest and other income.

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.

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

(d) Resources expended

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

Direct costs are charged to the appropriate category of charitable activity or governance cost 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. More detail as to the method of their allocation is given in note 5b to the accounts.

Governance costs are those non charitable costs which are necessary for the general running of the charity and include items such as constitutional costs, trustee costs and audit fees along with an allocation of support costs.

(e) Consolidation

The charitable Company has taken advantage of the exemption given by Section 400 of the Companies Act 2006 not to prepare consolidated financial statements on the grounds that the charitable Company and its subsidiary are consolidated within the financial statements of the ultimate parent company, Common Purpose Charitable Trust, a company incorporated in England and Wales.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2014

1. ACCOUNTING POLICIES (continued)

(f) 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 | 20% straight line |
| Computer equipment | 33% straight line |

(g) Leased assets

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

2. NET MOVEMENT IN FUNDS

| | 2014 | 2013 |
|---|----------------|----------------|
| | £ | £ |
| The net movement in funds is arrived at after charging: | | |
| Depreciation | 13,375 | 12,791 |
| Auditors' remuneration | 9,500 | 8,800 |
| Operating lease rentals – land and buildings | 95,887 | 95,887 |
| Operating lease rentals – other | 33,419 | 30,932 |
| | <u>141,181</u> | <u>148,410</u> |

3. STAFF NUMBERS AND EMOLUMENTS

| | 2014 | 2013 |
|--|---------------|---------------|
| | Number | Number |
| The average number of persons employed by the Company during the year was: | | |
| Courses | 35 | 35 |
| Management and administration | 7 | 24 |
| | <u>42</u> | <u>59</u> |

Staff costs

| | £ | £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,175,844 | 1,778,898 |
| Social security costs | 107,610 | 160,101 |
| | <u>1,283,454</u> | <u>1,938,999</u> |

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

| | Number | Number |
|---------------------|---------------|---------------|
| £60,000 - £69,999 | 1 | 2 |
| £70,000 - £79,999 | 1 | 2 |
| £80,000 - £89,999 | - | - |
| £90,000 - £99,999 | - | - |
| £100,000 - £109,999 | - | 1 |
| | <u>2</u> | <u>5</u> |

The decrease in the staff numbers and cost is mainly because the group related entities staff was contracted out of Common Purpose UK to Common Purpose Charitable Trust from 1st April 2014.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2014

4. TRANSACTIONS WITH TRUSTEES

No emoluments were paid, nor expenses reimbursed, to the Trustees during the year (2013: nil).

5a. ANALYSIS OF RESOURCES EXPENDED

| | Direct costs £ | Support Costs £ | Total 2014 £ | Total 2013 £ |
|---|-------------------|-----------------------|--------------------|--------------------|
| Youth courses | 337,424 | 81,244 | 418,668 | 453,771 |
| Open courses | 1,256,113 | 334,373 | 1,590,486 | 1,708,588 |
| Customised courses | 185,837 | 47,411 | 233,248 | 250,018 |
| Expenditure incurred in respect of group related entities* | (361,217) | 361,217 | - | 71,420 |
| Governance | 9,500 | 33,140 | 42,640 | 54,312 |
| | <u>1,427,657</u> | <u>857,385</u> | <u>2,285,042</u> | <u>2,538,109</u> |

5b. ANALYSIS OF SUPPORT COSTS

| | Finance and HR costs £ | Office costs £ | Total 2014 £ | Total 2013 £ |
|---|------------------------------|-------------------|--------------------|--------------------|
| Youth courses | 30,471 | 50,773 | 81,244 | 76,618 |
| Open courses | 119,923 | 214,449 | 334,372 | 312,416 |
| Customised courses | 17,782 | 29,630 | 47,412 | 44,020 |
| Expenditure incurred in respect of group related entities* | - | 361,217 | 361,217 | 497,884 |
| Governance | - | 33,140 | 33,140 | 45,512 |
| | <u>168,176</u> | <u>689,209</u> | <u>857,385</u> | <u>976,450</u> |

Finance and HR costs are apportioned on the basis of the percentage of each activity's direct expenditure. Office costs are apportioned on the same basis.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2014

| 6. TANGIBLE FIXED ASSETS | Leasehold Improvements £ | Computer Equipment £ | Total £ |
|--------------------------|--------------------------------|----------------------------|------------------|
| COST | | | |
| At 31 July 2013 | 129,141 | 1,175,296 | 1,304,437 |
| Disposal | - | (1,765) | (1,765) |
| Additions | 4,240 | 20,487 | 24,727 |
| At 31 July 2014 | <u>133,381</u> | <u>1,194,018</u> | <u>1,327,399</u> |
| DEPRECIATION | | | |
| At 31 July 2013 | 125,858 | 1,166,593 | 1,292,451 |
| Disposal | - | (1,765) | (1,765) |
| Charge for year | 3,501 | 9,874 | 13,375 |
| At 31 July 2014 | <u>129,359</u> | <u>1,174,702</u> | <u>1,304,061</u> |
| NET BOOK VALUE | | | |
| At 31 July 2014 | <u>4,022</u> | <u>19,316</u> | <u>23,338</u> |
| At 31 July 2013 | <u>3,283</u> | <u>8,703</u> | <u>11,986</u> |

All the fixed assets are used for direct charitable activities.

7. INVESTMENT

The investment relates to Common Purpose Customised Limited, a trading subsidiary company, which was acquired from Common Purpose Charitable Trust on 1 August 2013.

8. DEBTORS

| | 2014 £ | 2013 £ |
|---------------------------------------|----------------|----------------|
| Tuition fees and sponsorship income | 179,459 | 383,279 |
| Prepaid marketing and printing stocks | 20,667 | 21,021 |
| Amounts due from related undertakings | 107,886 | 211 |
| Other debtors | 31,850 | 30,171 |
| | <u>339,862</u> | <u>434,682</u> |

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 £ | 2013 £ |
|---|----------------|----------------|
| Sundry creditors and accruals | 106,155 | 243,412 |
| Other taxes and social security | 64,843 | 90,257 |
| Amounts due to Common Purpose Customised Limited/ Common Purpose Charitable Trust/Common Purpose Int. and Global | 416,617 | 221,704 |
| Deferred income | 78,300 | 133,380 |
| | <u>665,915</u> | <u>723,842</u> |

Deferred income relates to invoices raised in respect of courses that are due to commence after 31 July 2014. The brought forward deferred income has been released into the current year's Statement of Financial Activities.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2014

| 10. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES | 2014 £ | 2013 £ |
|--|---------------|----------------|
| Net movement in funds | 5,494 | 76,809 |
| Interest received | (35) | (34) |
| Depreciation | 13,375 | 12,791 |
| Decrease in debtors | 94,819 | 430,113 |
| Decrease in creditors | (57,926) | (145,578) |
| Net cash outflow from operating activities | <u>55,727</u> | <u>374,101</u> |

| 11. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR | 2013 £ | Movement in year £ | 2014 £ |
|--|----------------|--------------------------|----------------|
| Cash at bank and in hand | 402,069 | (118,965) | 283,104 |
| Bank overdraft | - | - | - |
| | <u>402,069</u> | <u>(118,965)</u> | <u>283,104</u> |

| 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS | Restricted Funds £ | Unrestricted Funds £ | Total Funds £ |
|--|--------------------------|----------------------------|---------------------|
| Fixed assets | - | 23,338 | 23,338 |
| Investment | - | 150,000 | 150,000 |
| Current assets | 82,303 | 540,664 | 622,967 |
| Current liabilities | - | (665,916) | (665,616) |
| | <u>82,303</u> | <u>48,086</u> | <u>130,389</u> |

13. OPERATING LEASE COMMITMENTS

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

| Within: | 2014 Land and Buildings £ | 2013 Land and Buildings £ |
|-------------------------------------|------------------------------------|------------------------------------|
| More one year and less than 5 years | 117,500 | 117,500 |
| Over 5 years | - | - |
| | <u>117,500</u> | <u>117,500</u> |

| Within: | 2014 Equipment £ | 2013 Equipment £ |
|-------------------------------------|------------------------|------------------------|
| More one year and less than 5 years | 33,511 | 33,511 |
| | <u>33,511</u> | <u>33,511</u> |

14. SHARE CAPITAL

The Company is limited by guarantee and has no share capital. The liability of the members is limited to the sum of £1 per member.

15. RESTRICTED FUNDS

The restricted income and expenditure shown in the Statement of Activities relate to a specific programme in the UK funded by a corporate foundation. The unspent balance of £82,303 which was represented by current assets at 31 July 2014 has been fully expended subsequent to the year-end.

16. PARENT UNDERTAKING

The Company's immediate and ultimate parent undertaking is The Common Purpose Charitable Trust (CPCT), a company registered in England, number 2832875 and a registered charity, number 1023384.

Consolidated financial statements for The Common Purpose Charitable Trust are available to the public from www.charitycommission.org.uk.