



COMMON PURPOSE UK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2016

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

COMMON PURPOSE UK
REPORT AND FINANCIAL STATEMENTS
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CONTENTS	Page
Report of the Trustees	1
Independent Auditor's report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 – 19

COMMON PURPOSE UK

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2016

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 2016, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102).

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.

Common Purpose UK is 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.

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

COMMON PURPOSE UK

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2016

2. Common Purpose UK

The three key areas of activity for the CPUK group continue to be open programmes, student work and customized (the last delivered via our trading company, Common Purpose Customised Ltd). The financial strategy as in previous years was to achieve a surplus to help build the CPCT group general reserves at year-end. Due to a number of challenges – some structural, some timing and some staffing – our contribution to reserves is down on budget.

Our focus in 2015/16 included:

1. The private sector
2. Students
3. Health and social care
4. The Northern Powerhouse

Underpinning these four business priorities is our commitment to people (appointment, retention and career development), Quality & Innovation (blended learning, 90% of participants agreeing that our programmes provide value for time), and Marketing & Communications (sharing our campaign via social media).

Open programmes

In 2015/16 we ran 22 open programmes (2014/15: 22) with 344 participants (2014/15: 457). Diversity on our programmes continues to be important for us. We continued to provide a significant level of bursary support for those applicants who genuinely cannot afford full fees - see table.

Common Purpose provides most of the bursaries but we also receive some sponsorship for bursary places. 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.

Programme	2015/16	2014/15
1. Meridian	10	10
2. Common Purpose Navigator	5	6
3. Profile / Profile Plus	7/1	4/1
4. Ventures (Dishaa)	0	2
TOTAL	22	22
Number of participants	344	457
Value of bursary places	£525,210	£522,524
Percentage of income paid as full or partial bursary support	40%	33%

Student work

In 2015/16 we refined our student offer – Frontrunner – both in terms of its focus on widening participation students and also on the delivery model with a view to being able to offer the programme to more students in 2016/17. We also expanded our offer to include Frontrunner for Disabled Students.

COMMON PURPOSE UK

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2016

We delivered 24 Frontrunner programmes and workshops in eight universities (2014/15: 10) with 691 (2014/15: 738) students taking part. We also ran customized student programmes for FE Colleges.

Customized

We trialled a new consortium model in the Northern Powerhouse and delivered an InnoVenture on a complex health and social care challenge which has resulted in two major funding bids. We hosted the study tours for CSCLeaders in Manchester and Glasgow.

Customer experience

We ask all of our participants to tell us whether the programme was good value for their time rating their response on a scale of 1-6 (6 being excellent value for time and 1 being very poor). Our target is for 90%+ of participants to score our programmes as 5 or 6 – this is our customer experience Key Performance Indicator.

	2015/16	2014/15
Meridian	91.88%	90.32%
Navigator	96.96%	96.70%
Frontrunner	92.91%	93.92%
Customised	93%	94.40%

We are pleased that our customers continue to score their programme experience highly. In addition to this, we collate and share stories about the impact of Common Purpose.

Marketing

We relaunched the UK website and continue to expand our social media presence via LinkedIn and Twitter - at both the UK level and individual employee level.

3. PLANS FOR THE FUTURE

Our priorities in 2016/17 are to:

- Focus on cities
- Continue to diversify our portfolio with customized and student work
- Introduce Business Managers to strengthen and add value to local teams by enabling our Programme Directors to focus on high quality programme delivery

4. REVIEW OF FINANCIAL ACTIVITIES

The net movement in unrestricted funds for the year ended 31 July 2016 was a deficit of £268,685 (2015: surplus of £260,337). This loss arose after fully writing down the company's investment of £230,000 in Common Purpose Customised Limited. The net movement in restricted funds for the year was £140,910 (2015: £75,274). Details of the results for the year are given in the Statement of Financial Activities on page 10.

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 2016, donated goods and services amounted to £449,153 compared with £485,206 in 2014/15.

COMMON PURPOSE UK

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2016

Income from charitable activities

In 2015/2016 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.

Expenditure

Total expenditure in 2015/16 amounted to £1,939,358 compared with £2,226,338 in 2014/15. This is mainly due to continued savings in staff cost, licence fees and programme costs.

5. 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.

6. REFERENCE AND ADMINISTRATIVE DETAILS

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

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

7. ADVISORS

Auditors haysmacintyre, 26 Red Lion Square, London, WC1R 4AG

Bankers National Westminster, Cavendish Square Branch, PO Box 4NU,
1 Cavendish Square, London W1A 4NU

8. TRUSTEES AND DIRECTORS

Bishop Timothy John Stevens (Chair)
Simon Russell
Caroline Jean Stuart (resigned on 05.11.15)
Eamonn John Boylan
Philip Duncan Wright
Letitia Corinna Andrewartha

All served throughout the year ended 31 July 2016, unless indicated otherwise.

Chief Executive Officer: Marie Mohan

9. 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 Student Experiences Ltd, a charity registered in England (from 1/8/15)
- Common Purpose Asia-Pacific Limited, a charity registered in Singapore
- Common Purpose Global Customised Limited, a trading company that manages the international licensing 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 that 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 that 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 that identifies the major foreseeable risks faced by the Charity, assessing their likelihood and impact, and as appropriate implementing 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. The major risks facing the company include financial risks associated with the business climate, IT failure, business risk from a drop in participant key performance indicators and lack of profile in our chosen markets. Each risk is monitored and reported on with accountability at board and management level. Reports include "traffic light" assessments of impact, likelihood and appetite together with updated status by quarter. Specific actions are allocated and progress against those actions is reported on.

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.

COMMON PURPOSE UK

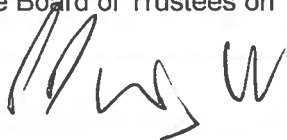
REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2016

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 5 July 2017

Trustee  (Philip Wright)

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 2016 which comprise the statement of financial activities, the balance sheet and the related notes. 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors 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 auditor under the Companies Act 2006. 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 2016 and of its movement in funds, 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


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

26 Red Lion Square
London WC1R 4AG

21 July 2017

COMMON PURPOSE UK

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

FOR THE YEAR ENDED 31 JULY 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Income from:					
Donated goods and services		449,153	0	449,153	485,206
Charitable activities:					
Course fees		1,128,529	0	1,128,529	1,543,623
Local sponsors & project income		0	18,300	18,300	233,656
Cost recoveries from related entities		252,964	0	252,964	136,995
Bank interest		8	0	8	1
Other income		51,719	0	51,719	162,468
Total		1,882,373	18,300	1,900,673	2,561,949
Expenditure on:					
<i>Charitable Activities</i>					
Youth courses		417,059	2,500	419,559	522,071
Open courses		1,222,713	15,800	1,238,513	1,537,282
Customised courses		67,115		67,115	0
Cost recovered by related entities		73,261	140,910	214,171	166,985
		1,780,148	159,210	1,939,358	2,226,338
<i>Write down of investments</i>					
Write down in value of investments		230,000		230,000	
Total	5	2,010,148	159,210	2,169,358	2,226,338
Net income	2	(127,775)	(140,910)	(268,685)	335,611
Surplus Gift Aid to CPCT		0	0	0	(260,337)
Fund balances brought forward as at 1 August		48,086	157,577	205,663	130,389
Fund balances carried forward					
As at 31 July		(79,689)	16,667	(63,022)	205,663

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities. Of the 2015 income, local sponsors & projects included £213,006 of restricted income; of the 2015 expenditure customised courses include £137,732 of restricted expenditure. All other 2015 income and expenditure was unrestricted.

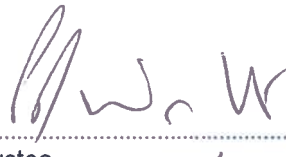
BALANCE SHEET

AS AT 31 JULY 2016

	Note	2016		2015	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		24,185		37,771
Investment	7		0		230,000
Current assets					
Debtors	8	336,232		467,411	
Cash at bank and in hand		<u>33,445</u>		<u>166,277</u>	
		369,678		633,688	
Creditors: amounts falling due within one year	9	<u>(456,885)</u>		<u>(695,796)</u>	
Net current assets			<u>(87,207)</u>		<u>(62,108)</u>
Total assets less current liabilities			<u><u>(63,022)</u></u>		<u><u>205,663</u></u>
RESERVES					
Unrestricted funds			(79,689)		48,086
Restricted funds	13		<u>16,667</u>		<u>157,577</u>
			<u><u>(63,022)</u></u>		<u><u>205,663</u></u>

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

5th July 2017



 Trustee

(Philip Wright)

.....
 Trustee

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

1. ACCOUNTING POLICIES

(a) Basis of accounting

Common Purpose UK is a charitable company limited by guarantee. Further details are shown on page 1.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), section 1A. The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the Charity 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), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered financial forecasts and projections. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future and, therefore, the charitable company has adopted the going concern basis in preparing its financial statements.

FRS 102 has been adopted for the first time when preparing these financial statements. The previous financial statements for the year-ended 31 July 2015 were prepared under the earlier UK Generally Accepted Accounting Practice but no changes in accounting policy have been required on adoption of FRS102.

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

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

(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) Income

Income represents 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.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2016

(d) 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 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 exemptions given by Section 400 of the Companies Act 2006 and by FRS102 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.

(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.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2016

2. NET MOVEMENT IN FUNDS	2016 £	2015 £
The net movement in funds is arrived at after charging:		
Depreciation	20,384	15,254
Auditors' remuneration	11,200	9,700
Operating lease rentals – land and buildings	11,334	68,579
Operating lease rentals – other	6,291	33,511
	<u>6,291</u>	<u>33,511</u>

3. STAFF NUMBERS AND EMOLUMENTS

	2016 Number	2015 Number
The average number of persons employed by the Company during the year was:		
Courses	30	33
Management and administration	6	7
	<u>36</u>	<u>40</u>

Staff costs	£	£
Wages and salaries	995,510	1,108,903
Social security costs	94,277	107,223
Pension	8,538	8,485
	<u>1,098,325</u>	<u>1,224,611</u>

	Number	Number
The number of employees whose emoluments for the year fell within the following bands:		
£60,000 - £69,999	1	2
£70,000 - £79,999	1	1
£80,000 - £89,999	1	0
£90,000 - £99,999	0	0
£100,000 - £109,999	0	0
	<u>3</u>	<u>3</u>

The aggregate emoluments of the key management personnel were £380,064 (2015: £372,450). The salaries of senior management are set by the Trustees and benchmarked against average management salaries for the sector.

4. TRANSACTIONS WITH TRUSTEES

No emoluments were paid during the year (2015: nil). Expenses were reimbursed to one Trustee to the value of £272.70 (2015: nil).

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2016

5a. ANALYSIS OF RESOURCES EXPENDED

	Direct costs	Support Costs	Total 2016	Total 2015
	£	£	£	£
Youth courses	338,218	81,341	419,559	511,686
Open courses	985,087	253,426	1,238,513	1,530,659
Customised courses	53,510	13,605	67,115	139,713
Expenditure incurred in respect of group related entities*	0	214,171	214,171	44,280
	<u>1,376,815</u>	<u>562,543</u>	<u>1,939,358</u>	<u>2,226,338</u>

5b. ANALYSIS OF SUPPORT COSTS

	Finance and HR costs	Office costs	Total 2016	Total 2015
	£	£	£	£
Youth courses	35,365	45,976	81,341	115,587
Open courses	110,183	143,243	253,426	357,475
Customised courses	5,915	7,690	13,605	33,053
Expenditure incurred in respect of group related entities*	-	214,171	214,171	379,051
	<u>151,463</u>	<u>411,080</u>	<u>562,543</u>	<u>885,166</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 2016

6. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computer Equipment	Total
	£	£	£
COST			
At 31 July 2015	133,814	1,223,272	1,357,086
Additions	0	6,798	6,798
At 31 July 2016	<u>133,814</u>	<u>1,230,070</u>	<u>1,363,884</u>
DEPRECIATION			
At 31 July 2015	131,575	1,187,740	1,319,315
Charge for year	1,413	18,971	20,384
At 31 July 2016	<u>132,988</u>	<u>1,206,711</u>	<u>1,339,699</u>
NET BOOK VALUE			
At 31 July 2016	826	23,359	24,185
At 31 July 2015	<u>2,239</u>	<u>35,532</u>	<u>37,771</u>

All the fixed assets are used for direct charitable activities.

7. INVESTMENT

Common Purpose UK acquired Common Purpose Customised Limited (CPCL), a trading subsidiary company, from Common Purpose Charitable Trust on 1 August 2015. The investment was written down as at 31 July 2016 following losses in CPCL during the year.

8. DEBTORS

	2016	2015
	£	£
Tuition fees and sponsorship income	110,319	266,377
Prepaid marketing and printing stocks	7,502	21,434
Amounts due to / from group companies	159,714	111,757
Other debtors	55,466	62,425
Prepayment	3,231	5,418
	<u>336,232</u>	<u>467,411</u>

Common Purpose Customised Limited, a trading subsidiary of CPUK, made a loss for the year. As a result, the directors entered into a loan agreement on 1 August 2016 for £73,378. The loan is repayable over five years at an annual interest rate of 2.5% per annum.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2016

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Sundry creditors and accruals	66,364	90,254
Other taxes and social security	51,415	49,971
Amounts due to / from group companies	288,766	487,727
Deferred income	50,340	67,844
	<u>456,885</u>	<u>695,796</u>

Deferred income relates to invoices raised in respect of courses that are due to commence after 31 July 2016. The brought forward deferred income has been released into the current year's Statement of Financial Activities.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed assets	0	24,185	24,185
Investment	0	0	0
Current assets	16,667	353,011	369,678
Current liabilities	0	(456,885)	(456,885)
	<u>16,667</u>	<u>(79,689)</u>	<u>(63,022)</u>

11. OPERATING LEASE COMMITMENTS

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

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2016

	2016	2015
	Land and Buildings	Land and Buildings
Within:	£	£
More one year and less than 5 years	0	0
Over 5 years		
	<hr/> <hr/>	<hr/> <hr/>

	2016	2015
	Equipment	Equipment
Within:	£	£
More one year and less than 5 years	0	876
	<hr/> <hr/>	<hr/> <hr/>

12. 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.

13. RESTRICTED FUNDS

The restricted income and expenditure shown in the Statement of Activities relate predominantly to the programme in the UK funded by American Express. The unspent balance of £16,667 which was represented by current assets at 31 July 2016 has been mostly expended subsequent to the year-end. Other restricted income included sponsorship or donations from PwC, the Barrow Cadbury Trust and the Weir Group, all of which were received and expended during the year.

14. 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.

