



COMMON PURPOSE GLOBAL CUSTOMISED LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2019

Company registered number: 8613775

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

CONTENTS	Page
Directors and company details	1
Directors' Report	2
Independent Auditors' Report	5 – 6
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9 – 13

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

DIRECTORS AND COMPANY DETAILS

FOR THE YEAR ENDED 31 JULY 2019

DIRECTORS

Richard Charkin
David Grace
Mark Linder

CHIEF EXECUTIVE OFFICER

None for the period

REGISTERED OFFICE

Monmouth House
38 – 40 Artillery Lane
London E1 7LS

AUDITORS

Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place
London EC4R 1AG

BANKERS

National Westminster Bank plc
250 Regent Street
London W1B 3BN

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2019

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 2019.

Activities

Common Purpose Global Customised Limited ("the company") has two areas of activity: licences and selling customised programmes.

1. Licences

The company manages the licensing arrangements with the Common Purpose licensees, which in 2018/19 included Common Purpose UK, Common Purpose Customised Ltd, Common Purpose Asia Pacific Ltd, Common Purpose International 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 UK, Common Purpose Customised Ltd, Common Purpose Asia Pacific Ltd, Common Purpose International and Common Purpose Student Experiences Ltd are direct subsidiaries of Common Purpose Charitable Trust, which is the company's ultimate parent company.

The licence fee covers use of Common Purpose's programmes and intellectual property, together with IT systems and services provided by a central Common Purpose team.

2. Customised programmes

In addition to licensing arrangements, the company also provides customised leadership development programmes to a number of corporate clients.

Objectives for the year

The objective for 2018/19 was to continue with the financial recovery of the company, repay the loan from the parent and continue working towards rebuilding the company's balance sheet. This was done by delivering on contracts with existing clients, and starting to build business with new corporate clients.

Review of activities

The company continued to provide services to licensees in the UK, Ireland, Germany, Hong Kong, Hungary, South Africa, India, Turkey and the US. It also ran customised programmes for a number of commercial clients in the US, UK, Middle East, India, Hong Kong and Singapore, reaching 132 participants.

Results for the year

Turnover in 2018/19 was £793,607 (2017/18: £518,436), made up of income from licensees of Common Purpose of £441,326 (2017/18: £398,627) and income from customised courses of £315,900 (2017/18: £119,809). Expenses of £677,210 were more than in 2017/18 (£505,994). The financial statements on pages 7 and 8 show the current state of the finances.

The company made a profit for the year of £116,397 (2017/18: profit of £12,446). This reflects the impact of the management and business reorganization undertaken at the start of the previous year to eliminate losses and return the company to profitability.

The profit for the year reflects the success of the remedial action initiated in 2016/17 to ensure the business returns to profitability. The company plans to continue generating positive cash flows during 2019/20 in order to pay back the loan advanced by the parent company. It will, however, continue to rely on group financing for the foreseeable future. On this basis (and as indicated in note 2 to the accounts), the directors have concluded that the going concern basis remains appropriate.

Plans ahead for 2019/20

The key areas of focus for the company will continue to be:

- to build on already established and key relationships in other parts of Common Purpose to maximise interest in customised work globally;
- to keep up with the market trends in our sector and align our IT systems internally and externally to enhance the online experience for our staff, customers, participants and alumni community;

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2019

- having developed a strong service evaluation process, continue to develop and communicate more robust statistical data which demonstrates the impact our services / solutions are making on the customer.

Areas of focus specifically for customised programmes include maintaining and deepening existing key accounts, as well as developing new accounts based on the success of the current product offering.

Going concern

The surplus for the year reflects the success of the remedial action initiated in 2016/17 to restore the reserves of the company. The company is expected to continue generating positive cash flows throughout 2019/20. CPCT has a provided structured loan to CPGC, which is expected to be repaid during 2019/20 (current balance £107,674). CPCT also continues to provide short-term liquidity as needed. CPCT has confirmed will to continue providing this support for the coming year. On this basis, the directors have concluded that the going concern basis remains appropriate.

Impact of COVID-19 (Coronavirus)

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). With the introduction of related virus control measures across the world, the company was forced to curtail its activities in running face to face programmes around the world. The office in London was closed on 17 March 2020 and the company moved to fully home-based working. Some programmes were moved online while others have been deferred or rescheduled.

In April 2020 the directors formally reviewed an updated cash flow forecast to June 2021. On the basis of the assumptions made by management this showed the company remaining cash flow positive throughout the period to June 2021.

The directors recognize, however, that given the current situation relating to COVID-19 any forecast of future activity levels and thus cash flow is inherently uncertain. The key uncertainty is the extent to which uncontracted income will be realised while the COVID-19 restrictions apply. To protect this income, we continue to stay very close to our clients, many of whom have chosen to defer, rather than cancel, programmes. Nevertheless the company expects to see a significantly reduced level of activity and revenue for the remainder of 2019/20. This is expected to apply across all our programmes.

The directors believe, however, that notwithstanding the inherent uncertainties that currently exist, the strength of the company's underlying business and management's ongoing relationships with key clients, the actions being taken to mitigate expected reduced activity levels (as mentioned above) and a likely resumption of normal business activity during 2020, mean that the company remains financially sustainable and will remain a going concern for at least the next twelve months from the date of approval of these accounts.

The directors will continue to actively monitor staff levels and operational costs and take such steps as they consider necessary to help ensure these remain in line with reduced activity levels and income, also taking into account the parent's proposed utilisation of the assistance being provided by the UK government.

The company has no investments or other assets that have been significantly impaired as a result of COVID-19. However, the company's reserves are likely to reduce significantly as either programmes planned for 2019/20 do not run or income originally expected in 2019/20 is deferred to the next financial year. The directors will be reviewing and updating the company's reserves policy to reflect COVID-19, as well as the risk register and other actions that need to be taken to reflect the current situation.

Governing document and constitution

The governing documents of Common Purpose Global Customised Limited are the Memorandum and Articles of Association.

Organizational structure and decision-making

Until July 2018, Alison Cusworth (CPCT Operations Director, reporting to the Group Chief Executive Officer), oversaw the day to day operations of the company. Since August 2018, responsibility for the company was shared between the group's Finance Director (for licensees) and Aditi Bhat (Managing Director, Europe & Middle East, CPCT) for commercial clients.

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2019

Directors' insurance and indemnities

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

Risk review statement

The directors have established an annual risk assessment process that identifies the major foreseeable risks faced by the company, assesses their likelihood and impact, and recommends implementing measures to mitigate these risks. The directors have reviewed the major risks to which the company is exposed and are satisfied that appropriate systems have been established to mitigate those risks.

The ability of the company to continue to operate is dependent upon identifying and securing income and support from companies and from the continued successful operation of licensees. The principal risk is that a shortfall in such income could lead to losses in the company. This has been addressed by a close focus on managing costs and a strong focus on sales strategy to appropriate funders and institutions. The company has also continued to develop and refine its product offering based on market response and feedback from key stakeholders.

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 period. 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 7 May 2020 and signed on their behalf by



Richard Charkin
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

Opinion

We have audited the financial statements of Common Purpose Global Customised Limited (the 'company') for the year ended 31 July 2019 which comprise the profit and loss account, the balance sheet and notes to the accounts 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 2019 and of its profit 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

- 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 4, 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.

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.

 22 May 2020

Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2019

	Note	2019	2018
		£	£
Turnover		793,607	518,436
Administrative expenses	4	(674,518)	(499,723)
Interest paid		(2,692)	(6,267)
Profit on ordinary activities before taxation		<u>116,397</u>	<u>12,446</u>
Retained profit for the financial year		<u><u>116,397</u></u>	<u><u>12,446</u></u>

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

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

BALANCE SHEET

AS AT 31 JULY 2019

	Note	2019		2018	
		£	£	£	£
Fixed assets					
Intangible fixed assets	6		8,774		10,045
Tangible fixed Assets	6a		39,072		33,689
Current assets					
Debtors and accrued income	7	351,001		256,064	
Cash at bank and in hand		44,862		24,178	
		<u>395,863</u>		<u>280,243</u>	
Creditors: amounts falling due within one year	8	(457,385)		(311,052)	
			<u>(61,522)</u>		<u>(30,809)</u>
Net current liabilities			<u>(61,522)</u>		<u>(30,809)</u>
Total assets less current liabilities			<u>(13,676)</u>		<u>12,925</u>
Creditors: amounts falling due after more than one year	9		107,674		250,674
			<u>107,674</u>		<u>250,674</u>
Net liabilities			<u>(121,350)</u>		<u>(237,749)</u>
Capital and reserves					
Deficit on reserves			(121,351)		(237,750)
Issued share capital	9		1		1
			<u>1</u>		<u>1</u>
			<u>(121,350)</u>		<u>(237,749)</u>

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

The financial statements were approved and authorized for issue by the Board of Directors on 7 May 2020 and were signed below on its behalf by:



Richard Charkin
Director

1. ENTITY STATUS

Common Purpose Global Customised 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.

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. The small entities exemption is applicable for periods beginning on or after 1st January 2016.

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.

Going concern

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

The company returned a surplus in the year as set out in the profit and loss account. The remedial action taken to eradicate losses from 2015/16 is continuing to reduce the negative reserves. The company's parent has confirmed from its parent that short-term liquidity will continue to be available.

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The company's response has been to reforecast its cash flow in light of COVID-19. This forecast shows the company staying cash flow positive for the next 12 months despite the impact on income during the 2019/20 financial year. The directors believe therefore that the company has sufficient resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Depreciation and amortisation

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

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

Amortisation on trademarks is calculated on an annual basis based on the life of the trademark renewal (up to ten years).

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

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2019

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 the fixed assets over the expected useful economic lives. The principal annual rates and bases used for this purpose are:

Software costs	33% straight line
Trademarks	20% straight line

3. EMPLOYEE COSTS

The company did not directly employ staff during the year. The directors did not receive any remuneration during the year

4. ADMINISTRATIVE EXPENSES

The company commissioned the services of several staff from Common Purpose Charitable Trust to run and support the customised courses and to provide curriculum, IT and marketing services to the Common Purpose licensees.

5. NET MOVEMENT IN FUNDS

The net movement in funds is arrived at after charging:

	2019 £	2018 £
Amortisation	23,061	26,327
Auditors' remuneration	4,485	3,640
	<u>27,546</u>	<u>29,967</u>

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2019**

6. INTANGIBLE FIXED ASSETS

	Software Cost £	Trademarks £	Total £
COST			
At 1 August 2018	180,230	38,680	218,910
Additions	<u>2,628</u>	<u>0</u>	<u>2,628</u>
At 31 July 2019	<u>182,858</u>	<u>38,680</u>	<u>221,538</u>
AMORTISATION			
At 1 August 2018	177,390	31,475	208,865
Disposal			
Charge for year	<u>2,334</u>	<u>1,565</u>	<u>3,899</u>
At 31 July 2019	<u>179,724</u>	<u>33,040</u>	<u>212,764</u>
NET BOOK VALUE			
At 31 July 2019	<u><u>3,134</u></u>	<u><u>5,640</u></u>	<u><u>8,774</u></u>
At 31 July 2018	2,840	7,205	10,045

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2019****6a. TANGIBLE FIXED ASSETS**

	Hardware Cost	Total
	£	£
COST		
At 1 August 2018	48,725	48,725
Disposal	(936)	(936)
Additions	<u>25,429</u>	<u>25,429</u>
At 31 July 2019	<u>73,218</u>	<u>73,218</u>
AMORTISATION		
At 1 August 2018	15,036	15,036
Disposal	(52)	(52)
Charge for year	<u>19,161</u>	<u>19,161</u>
At 31 July 2019	<u>34,145</u>	<u>34,145</u>
NET BOOK VALUE		
At 31 July 2019	<u><u>39,072</u></u>	<u><u>39,072</u></u>
At 31 July 2018	33,688	33,688

7. DEBTORS

Debtors

	2019	2018
	£	£
Trade debtors	58,286	23,230
Prepayments	1,613	3,045
Accrued income	291,102	161,243
Taxes and social security	0	40,720
Amounts due from group undertakings	0	27,826
	<u>351,001</u>	<u>256,064</u>

COMMON PURPOSE GLOBAL CUSTOMISED LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2019****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Amounts due to group undertakings	347,862	293,231
Other taxes and social security	17,763	0
Other Creditors	91,760	17,821
	<u>457,385</u>	<u>311,052</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Amounts due to parent undertaking	107,674	250,674
	<u>107,674</u>	<u>250,674</u>

Following the company's loss in 2015/16, the directors entered into a loan agreement on 1 August 2016 for £250,674 with its parent company Common Purpose Charitable Trust. The loan is repayable over five years at an annual interest rate of 2.5% per annum. Interest payments of £6,266 were made during the year.

10. SHARE CAPITAL

	2019	2018
	£	£
Authorised: 1 ordinary share of £1 each	<u>1</u>	<u>1</u>
Issued: 1 ordinary share of £1	<u>1</u>	<u>1</u>

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 head 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. POST BALANCE SHEET EVENT

The COVID-19 crisis has had a major impact on the operations of the company and group. The directors have set out their assessment of the impact on page 3, and have also considered the effect on the going concern of the company as set out in note 1. The directors have assessed the crisis and its potential impact as a non-adjusting post balance sheet event.