



COMMON PURPOSE INTERNATIONAL
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

Charity registered number: 1056573
Company registered number: 3207453

COMMON PURPOSE INTERNATIONAL
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

CONTENTS	Page
Report of the Trustees	1 - 6
Independent Auditors' Report	7 – 8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 – 14

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2020

The trustees of Common Purpose International (“the Charity”) are pleased to present their annual report together with the audited financial statements for the year ended 31 July 2020, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice - Accounting and Reporting by Charities (Second Edition, effective 1 January 2019).

1. OBJECTIVES AND ACTIVITIES

The charitable objective of Common Purpose International is the advancement of education for the public benefit. Its governing document describes its charitable objects 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’.

Common Purpose International was established as a charity in 1996 and is registered with the Charity Commission under the Registered Charity number 1056573. The Charity is a fully owned subsidiary of The Common Purpose Charitable Trust (CPCT). CPCT runs a wide range of leadership development programmes directly and through its other subsidiaries and licensees globally.

Ethos and vision

Common Purpose International 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. The Charity focuses on offering leadership development to diasporas with the support of multi-lateral organizations and groups in Africa, the Middle East and the sub-continent.

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

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2020

2. ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The main priority for the year was to develop and grow diaspora leaders' programmes around the world, and to deliver our existing environmental programmes.

Prior to the pandemic, we ran the Pakistani Diaspora Leaders Programme, delivered on existing environmental work, and secured a new programme for emerging conservation leaders. We also pushed ahead with development work for a range of new diaspora programmes. However, the delivery of some of these had to be postponed including programmes for:

- civil society leaders in Beirut which could not be delivered due to the conditions on the ground in Lebanon as a result of the political protests in the country
- a programme for young Pakistani Diaspora leaders as a result of internal changes for the donor organisation.

Then, because of the pandemic, we revised our plan for the year to enable us to explore new opportunities and new sources of income. The main areas that we focused on were:

1. Expanding our work with conservation leaders, including a new strand of online work to support them in managing the crisis
2. Developing a new online environmental programme
3. Re-designing diaspora programmes to be delivered online, or over a longer period.

In addition to finding new areas of work and adapting our programmes to run online, we significantly reduced the Charity's costs. Measures taken included eliminating all business travel and saving on programme costs. We also utilized the UK government's Coronavirus Job Retention Scheme for one employee.

Plans ahead for 2020/21 are to:

- launch the online environmental programme
- continue to grow our work with conservation leaders
- run the re-designed online diaspora leadership programme with existing and new partners.

3. FINANCIAL REVIEW

Details of the results for the year are given in the statement of financial activities on page 9. The net movement on reserves for the year ended 31 July 2020 was a total deficit of £86,198, made up of a deficit of £69,971 in unrestricted funds and deficit of £16,227 in restricted funds (2018/19: surplus of £27,761 in unrestricted funds, deficit of £15,279 in restricted funds). The Charity's total reserves therefore fell to £106,817, of which £99,317 was unrestricted and £7,500 restricted at year-end (2018/19: total of £193,015 of which £169,288 was unrestricted and £23,727 restricted).

Income from charitable activities

In 2019/20, income totalled £252,074 (2018/19: £460,283), a reduction of £208,209 over the previous year. CPCT provided just under £130,000 of income during the year (2018/19: £256,729) to help support delivery of programmes from donors. Income from other donors fell by £81,000 as the impact of COVID-19 was felt by the key donors with which the Charity works. Prior to emergence of COVID-19, the Charity was tracking behind budget on revenue because donors delayed programmes that had been expected in the first half of the financial year. Costs were correspondingly lower. Overall, the Charity was showing a negative contribution to reserves at the end of the third quarter (April 2020) of £110,500. The improvement in reserves by year end was due to the Charity receiving £71,085 for delivering work on behalf of Common Purpose Charitable Trust.

COMMON PURPOSE INTERNATIONAL**REPORT OF THE TRUSTEES (continued)****YEAR ENDED 31 JULY 2020****Expenditure**

Total expenditure in 2019/20 amounted to £338,271, split between expenditure on unrestricted programmes (£304,513) and restricted programmes (£33,759) (2018/19: total of £447,801, made up of unrestricted expenditure of £243,742 and restricted expenditure of £204,059). The reduction over the previous year arose in restricted expenditure as the Charity's focus shifted to unrestricted programmes. In addition, senior staff agreed a salary reduction between April and July 2020, and the Charity furloughed one staff member, further helping keep costs down.

4. RESERVES POLICY

The Charity has established a reserves policy as part of its plans to provide long-term support to CPCT. Reserves are used to bridge the gap between the spending and receiving of income. The Charity therefore calculates reserves as that part of the Charity's unrestricted income that is freely available after taking account of designated funds that donors have provided for specific projects.

The total reserves of the Charity currently stand at £106,817 and are calculated as follows:

Unrestricted funds	£99,317
Restricted funds	£7,500
TOTAL RESERVES	£106,817

Reserves are calculated and managed at a group level to ensure the group has, at a minimum, sufficient reserves to support the continued solvency and liquidity of the group. The group reserve is set at £1.4 million. Beyond this, the Charity also aims to maintain a sufficient level of reserves at a company level to support its continued solvency. The CPCT group approves the Group Reserves Policy annually and sets the target level of reserves.

5. REFERENCE AND ADMINISTRATIVE DETAILS**Name of the charity**

Common Purpose International

The Charity has dispensation from the relevant authorities to omit 'Limited' from its name.

Charity Registration Number

1056573

Company Registration Number

3207453

Registered Office

Monmouth House
38 – 40 Artillery Lane
London E1 7LS

Advisors

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

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

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2020

6. TRUSTEES AND DIRECTORS

Peter Kulloi
Dr Rouba Mhaissen
Marjorie Ngwenya (resigned 5 February 2020)
Emma Shercliff
Albert Tucker (appointed as Chair 5 July 2018)

All served throughout the year ended 31 July 2020 unless otherwise indicated.

Chief Executive Officer

Alison Coburn

7. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and constitution

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

Organisational structure and decision-making

The Charity was established in 1996 alongside The Common Purpose Charitable Trust (CPCT), which is a company limited by guarantee, registered in England and Wales under company number 2832875. Common Purpose International is a wholly owned subsidiary of CPCT.

The Chief Executive, Alison Coburn runs the Charity and reports to the board of trustees. The board of trustees meets quarterly and sets the strategic direction of the Charity. Alison Coburn also attends the group's monthly senior management team meetings. During 2019/20 the Charity had only three staff members working for it. The Charity is exempt from holding annual general meetings.

Methods adopted for the recruitment and appointment of trustees

We encourage people interested in becoming trustees of the Charity to apply on our website. When vacancies arise the CPCT 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 organization, 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 encouraged to attend a course day to see Common Purpose in action, as well as participating in other Common Purpose events that run throughout the year.

Organizational structure and decision-making

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

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

Directors' insurance and indemnities

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

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2020

- Professional indemnity
- Trustees and individual liability
- Professional and legal liability

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 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 key risk that emerged from the COVID-19 pandemic was business interruption to the Charity's ability to run its programmes face-to-face. The Charity's response was to move programmes online. This has proved successful and has demonstrated the effectiveness of the risk mitigation strategies.

The ability of the Charity to continue to operate is dependent upon identifying and securing grants and sponsorship from potential sources of funding to fund the international development activities.

Impact of COVID-19 (Coronavirus)

The trustees have approved these accounts at a time of significant economic and other uncertainty because of the continued international presence of the coronavirus, COVID-19. With the introduction of related virus control measures across the world since early March 2020, and in common with most other organisations, the Charity has been forced to curtail its activities, particularly in running face to face programmes. The office in London was closed on 17 March 2020 and the Charity then moved to fully home-based working.

The Charity took advantage of the UK government's Coronavirus Job Retention Scheme to furlough a staff member, and likewise ask members of the senior management team to take a reduction in salary. These two measures helped the Charity to maintain employment of its staff and also save money for the final four months of the financial year.

The trustees regularly review cash flow forecasts for the Charity looking up to 12 months ahead. In November 2020, the trustees considered a 12-month cash flow forecast and on the basis of the assumptions made by management this showed the Charity remaining cash flow positive throughout the period to December 2021. However, in line with the business re-structuring plans (see below), the Charity is unlikely to see cash inflows or outflows beyond early 2021.

The trustees recognise, 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 donors and clients, many of whom have chosen to defer, rather than cancel, programmes. The Charity has also moved its programmes online so that they can continue to be delivered. This also has the advantage of them being available anywhere in the world. Client reaction to this has been extremely positive.

The trustees believe the actions taken to mitigate reduced revenue levels (as mentioned above) mean that the Charity remains financially sustainable and will remain a going concern for at least the next twelve months from the date of approval of these accounts. This recognizes the inherent uncertainties that currently exist in relation to COVID-19, the strength of the Charity's underlying business and management's ongoing relationships with key donors and clients.

Proposed corporate re-organization

The trustees of the Charity and the parent, CPCT have been involved since July 2020 in a review of the business and organizational structure of CPCT. They have together agreed that during the first quarter of 2021, the Charity's business should move from the Charity to its parent, CPCT. The purpose of the business restructure is to:

- Create a better alignment between our business model and the corporate structure needed to achieve it, particularly in light of the impact of COVID-19 on our business

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2020

- Reduce the number of boards and related governance requirements and cost
- Leverage talents and abilities across the group to support innovation and growth, rather than keeping staff in business silos
- Ensure the group remains lean and flexible to survive in what has become a highly dynamic and fast moving business environment, particularly over the next 12 to 18 months.

The restructure will not have any effect on staff, who are currently employed by CPCT and seconded to the Charity. It is proposed that the Charity will not be dissolved immediately but will become dormant after 31 July 2021. Reserves will be transferred to CPCT once all liabilities have been met and the Charity is no longer trading.

The Charity has no investments or other assets that have been significantly impaired because of COVID-19. The trustees have reviewed and updated the company's reserves policy and risk register to reflect COVID-19, and taken other actions needed in the current situation such as focusing on maintaining cash flow, monitoring costs and supporting new product development.

Statement of trustees' responsibilities

The trustees, who are also the directors of Common Purpose International 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 Charity 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;
- 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.

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

By order of the Board of Trustees on 19 November 2020

DocuSigned by:

Emma Shercliff

Trustee 8547A24E5...

COMMON PURPOSE INTERNATIONAL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

COMMON PURPOSE INTERNATIONAL

Opinion

We have audited the financial statements of Common Purpose International for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement [set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

COMMON PURPOSE INTERNATIONAL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

COMMON PURPOSE INTERNATIONAL

Emphasis of matter

We draw attention to note 1(e) on pages 12 and 13 of the financial statements which discloses the premise upon which the charitable company has prepared its financial statements by applying the going concern assumption. Our audit opinion is not modified in respect of this matter.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

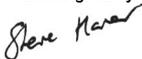
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



DB8AB2B244C8456
Steven Harper (Senior Statutory Auditor)

For and on behalf of haysmacintyre, Statutory Auditors

20 January 2021

10 Queen Street Place
London EC4R 1AG

COMMON PURPOSE INTERNATIONAL**STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account)****YEAR ENDED 31 JULY 2020**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income from:						
<i>Charitable activities</i>						
International Project income	97,499	25,000	122,499	14,774	188,780	203,554
Income from Common Purpose Charitable Trust & Common Purpose Global Customised	129,575	0	129,575	256,729	0	256,729
Total	227,074	25,000	252,074	271,503	188,780	460,283
Expenditure on:						
Charitable Expenditure on International Projects	(304,513)	(33,759)	(338,272)	(243,742)	(204,059)	(447,801)
Total expenditure	(304,513)	(33,759)	(338,272)	(243,742)	(204,059)	(447,801)
Net income/(expenditure)	(77,439)	(8,759)	(86,198)	27,761	(15,279)	12,482
Transfers between funds	7,468	(7,468)	0	0	0	0
Net movement in funds	(69,971)	(16,227)	(86,198)	27,761	(15,279)	12,482
Fund balances brought forward as at 1 Aug	169,288	23,727	193,015	141,527	39,006	180,533
Fund balances carried forward as at 31 July	99,317	7,500	106,817	169,288	23,727	193,015

All recognized gains and losses are included in the Statement of Financial Activities.

All transactions are derived from continuing activities.

COMMON PURPOSE INTERNATIONAL

COMPANY NO. 3207453

BALANCE SHEET AS AT 31 JULY 2020

	Note	31-Jul-20		31-Jul-19	
		£	£	£	£
Current assets					
Debtors	4	56,231		94,320	
Accrued income		0		18,624	
Cash at bank and in hand		54,857		97,549	
		<u>111,088</u>		<u>210,493</u>	
Creditors: amounts falling due within one year					
Creditors	5	<u>(4,271)</u>		<u>(17,478)</u>	
Net current assets			<u>106,817</u>		<u>193,015</u>
Net assets			<u>106,817</u>		<u>193,015</u>
Funds					
General fund			99,317		169,288
Restricted income fund			<u>7,500</u>		<u>23,727</u>
Total funds			<u>106,817</u>		<u>193,015</u>

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

The financial statements were approved and authorized for issue by the Board of Trustees on 19 November 2020 and were signed below on its behalf by:

DocuSigned by:

BDC0358547A24E5.....

Trustee

COMMON PURPOSE INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

(a) Basis of accounting

Common Purpose International 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 – Second Edition, effective 1 January 2019), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

The charitable company holds only basic financial instruments which are initially recognized 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 recognized 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. Further details of the charity's restricted funds are provided in note 7 to the accounts.

(c) Income

Income represents the total income receivable during the year comprising tuition fees, sponsorship, bursaries, and other income.

Income and expenditure related to individual courses is matched and any surplus on a course is recognized in the accounting year in which it arises. Course deficits are recognized as soon as anticipated. Income is fully recognized 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.

(d) Expenditure

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

Direct costs are charged to charitable activities along with appropriate 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 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.

(e) Going concern

The accounts are approved during a period where there is much uncertainty as a result of the continued international spread of a coronavirus (COVID-19). The Charity's response has been to reforecast its

COMMON PURPOSE INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2020**

cash flow in light of COVID-19. This forecast shows the Charity staying cash flow positive for the next 12 months. The trustees believe therefore that the Charity has sufficient resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. As noted above in the report of the trustees, however, it is intended to move all business activity from the Charity to the parent company in early 2021. Once this is complete, the Charity will become dormant but not be wound up. It is expected that the Charity will be dormant after July 2021. Further information on this can be seen in the trustees' report above on page 5. Accordingly, the accounts do not include such adjustments as would be required if the accounts were not prepared on a going concern basis.

(f) Foreign currency translation

Transactions denominated in 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.

2. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

No emoluments were paid, nor expenses reimbursed, to the trustees during the current or previous year.

3a. ANALYSIS OF EXPENDITURE

	Direct Costs	Support Costs	Total
	£	£	£
International Projects 2020	216,418	121,854	338,272
International Projects 2019	354,296	93,505	447,801

The aggregate emoluments including employer pension and national insurance contributions of the key management personnel were £109,781 (2018/19: £115,350). The Charity's CEO agreed to forego 20% of her salary between April and July 2020 in response to the impact on the business of COVID-19. The Charity does not employ any staff directly; all staff are seconded from The Common Purpose Charitable Trust.

3b. ANALYSIS OF SUPPORT COST

	Central Services	Licence Fee	Governance	Total
	£	£	£	£
Support costs 2020	114,532	5,524	1,798	121,854
Support costs 2019	75,360	16,597	1,548	93,505

COMMON PURPOSE INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2020****4. DEBTORS**

	2020	2019
	£	£
Amount due from parent undertaking (Common Purpose Charitable Trust)	55,409	0
Amount due from related undertaking (Common Purpose Global Customised Ltd)	0	85,320
Trade debtors	0	9,000
Other taxes and social security	822	0
	<u>56,231</u>	<u>94,320</u>

5. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2020	2019
	£	£
Amount due from parent undertaking (Common Purpose Charitable Trust)	0	5,306
Amount due to related undertaking (Common Purpose UK)	463	917
Other creditors	3,808	11,255
	<u>4,271</u>	<u>17,478</u>

6. RESTRICTED FUNDS

2019/20	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers/ gains</i>	<i>Carried forward</i>
£	£	£	£	£	£
Asfari Foundation	15,067	0	99	(7,468)	7,500
British Council Pakistan	8,660	0	8,660	0	0
British Council Bangladesh	0	20,000	20,000	0	0
Penny Appeal	0	5,000	5,000	0	0
Totals	23,727	25,000	33,759	(7,468)	7,500

2018/19	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers/ gains</i>	<i>Carried forward</i>
£	£	£	£	£	£
Asfari Foundation	18,306	71,482	74,721	0	15,067
British Council Pakistan	20,700	71,960	84,000	0	8,660
Penny Appeal	0	45,338	45,338	0	0
Totals	39,006	188,780	204,059	0	23,727

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2020

The Asfari Foundation did not run a programme during 2019/20 although the funds had been provided to do so. The Foundation agreed to let the Charity unrestrict £7,468 of the balance of funds to reflect work undertaken during the year, with a balance of £7,500 retained to meet expenses budgeted to arise in the 2020/21 financial year.

7. ULTIMATE PARENT UNDERTAKING

Common Purpose International is a subsidiary of The Common Purpose Charitable Trust, a company registered in England, number 2832875 and a registered charity number 1023384, which head the largest and smallest group for which consolidated financial statements are prepared.

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

8. RELATED PARTY TRANSACTIONS

During the year, the Charity entered into a number of transactions with other group companies. These transactions were to pay for services delivered to other group entities, and to provide funding for programme costs where programmes were being delivered by a different group entity. All such transactions are eliminated on consolidation in the accounts of Common Purpose Charitable Trust.