

THE COMMON PURPOSE CHARITABLE TRUST
(A company limited by guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

Company registered number: 2832875
Charity registered number: 1023384

THE COMMON PURPOSE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

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THE COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2020

The trustees of Common Purpose Charitable Trust (“Common Purpose”, “the Trust” or “CPCT”) are pleased to present their group 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 AIMS

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

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

Ethos and vision

Common Purpose gives people from the private, public and not-for-profit sectors the inspiration, skills and connections to become better leaders, both at work and in society.

We run local and global programmes in cities across the world for 4,000 leaders each year from over 100 countries across six continents.

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

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

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

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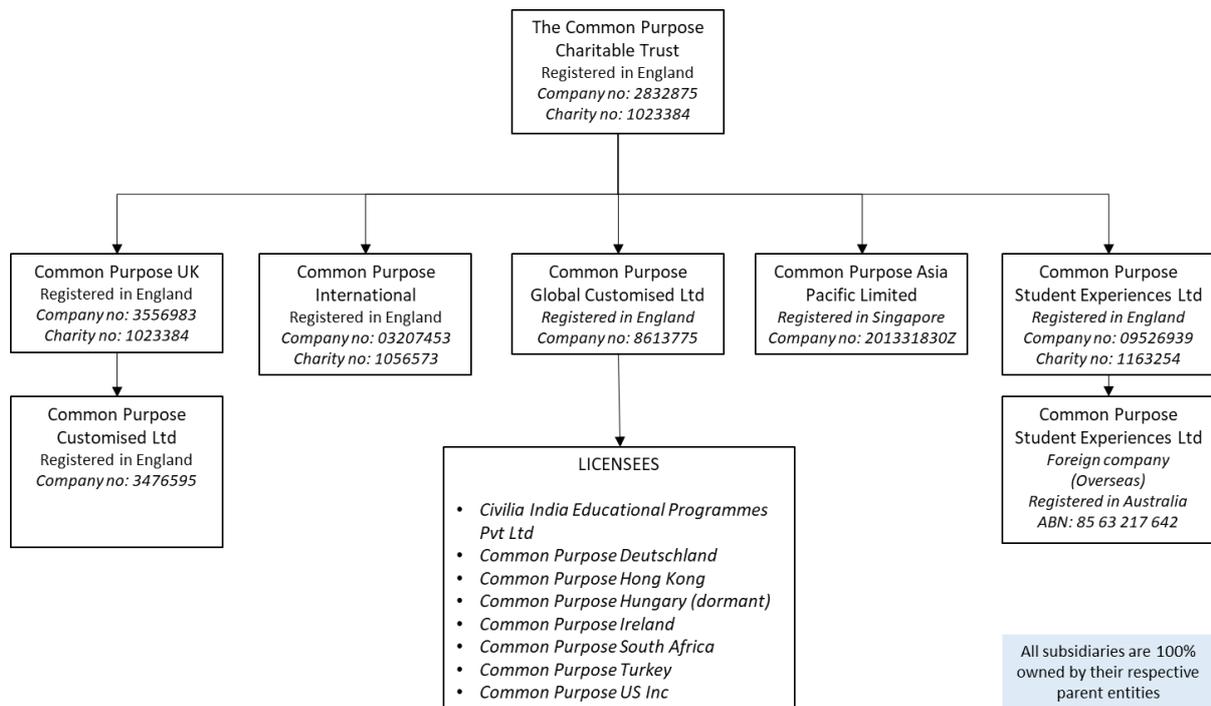
FOR THE YEAR ENDED 31 JULY 2020

2. COMMON PURPOSE CHARITABLE TRUST

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

- Common Purpose UK (CPUK), a charity registered in England, that delivers programmes open to interested participants across England, Scotland and Northern Ireland
- Common Purpose Customised Limited (CPCL), a trading company registered in England which delivered customised courses to UK clients. Common Purpose Customised Limited is a wholly owned subsidiary of Common Purpose UK. The company has been dormant since 1 August 2019 and will be struck off during 2020
- Common Purpose International (CPI), a charity registered in England that delivers programmes to diaspora groups both in the UK and internationally, and is increasingly focusing on environmental leadership programmes
- Common Purpose Global Customised Limited (CPGC), a trading company registered in England which manages the international licensing arrangements, the provision of services to licensees and delivers customised courses to global clients. Common Purpose Global Customised Limited is a wholly owned subsidiary of Common Purpose Charitable Trust
- Common Purpose Asia-Pacific Limited (CPAPL), a charity registered in Singapore that runs two major open programmes in its region and delivers customised programmes to major corporate entities in Singapore and south east Asia
- Common Purpose Student Experiences Limited (CPSE), a charity registered in England which provides leadership programmes for students from leading universities around the world. Common Purpose Student Experiences Limited established a branch (Foreign Company (Overseas)) in Australia on 5 July 2019.

CPCT licenses entities in a number of countries to deliver Common Purpose programmes in their respective countries. Summary information on each organisation and licensees is shown later in this report.



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3. THE ROLE OF COMMON PURPOSE CHARITABLE TRUST

The Trust oversees the activities carried out through the following wholly owned subsidiary organisations within the group: Common Purpose UK, Common Purpose International, Common Purpose Customised Ltd, Common Purpose Global Customised Ltd, Common Purpose Asia-Pacific Ltd and Common Purpose Student Experiences Ltd.

The Trust is responsible for:

- The overall strategic plan
- Safeguarding the brands, intellectual property, web domain names and trademarks
- Supporting the global alumni offering
- The development of new international opportunities.

Objectives for the year

The objectives for the year were formulated before the COVID-19 crisis began in March 2020. The plans set out for individual companies below should be read in this light. Our plans included:

- scaling up our major global programmes (American Express Leadership Academies and MAVVA) in response to stronger commitments from donors
- establishing our US licensee as a profitable and self-sustaining organization by delivering three initiatives built around milestone events in cities and aimed at encouraging young people to play a greater role in the city's development (Legacy programme) through our US licensee
- ensuring our Asia Pacific entity continued to flourish as its CEO, Adirupa Sengupta, transitioned into the role of Group CEO
- deepening our relationships with key clients to deliver more customised work both in and beyond the UK and Singapore
- returning our UK company to profitability and eliminating its negative reserves
- focusing rigorously on costs and the efficiency of our operations to support growth in reserves.

The impact of COVID-19 on the group was dramatic and immediate. We were unable to deliver in-person programmes beyond March 2020. Our response was to establish a dedicated product development team to create online programmes which would be accessible globally. By July 2020, our new flagship programme, The Common Purpose Programme was ready for release. We also created online offerings for a number of commercial clients, which were extremely well received.

Our clients remained very loyal to the organization with very few programme cancellations – the majority of clients agreed to defer delivery until such time as we could provide an online offering or in-person programmes were possible.

The financial impact is set out in the review of financial activities, paragraph 8 below. Details of the impact on individual companies of the group are given in the sections immediately following.

Plans for 2020/21

COVID-19 has prompted a major review of our product offerings and group structure. We will continue to focus on delivering online programmes for the foreseeable future, and continue to refine and develop those offerings from a curriculum and technical point of view to help ensure we maximize the impact and benefit of our programmes to participants.

Our flagship programme with American Express has moved to online but scaled back in line with the donor's request. Our work with MAVVA has allowed us develop more capacity for global environmental leadership programmes, which sit well in the digital space. Student programmes

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have very successfully transitioned to online with support from our key university clients. Our plans include continuing to grow these programmes globally.

The disruption to our operations as a result of the COVID-19 crisis has prompted the Common Purpose's trustees to consider whether the group's corporate structure is fit for purpose in the new business environment. The trustees have agreed a business re-organization to simplify the structure and reduce the number of corporate entities. Full details of the proposed re-organization are given in paragraph 11 below.

4. COMMON PURPOSE UK

CPUK believe leaders who cross boundaries make cities work better, and cities that work better will be better at dealing with their own problems and the world's.

The key areas of activity for CPUK continue to be open programmes and customised programmes. Until the outbreak of the COVID-19, CPUK ran its Meridian programme for senior leaders, and streetwise programme for emerging leaders. This year, it also introduced Legacy programmes for young leaders. Legacy programmes focus on preparing young future leaders for a milestone event in a city, such as Newcastle150. In 2032, Newcastle will celebrate 150 years with formal city status, and CPUK is working with young people who in twelve years' time will be the city's leaders.

CPUK's non-financial goals for 2019/20 were to:

- deliver excellent participant and buyer impact
- raise the company's profile in UK cities to attract new customers
- produce 1100 participants on open, customized and Legacy Programmes
- focus on continually improving the quality of our participant experience, and
- after March 2020, pivoting to a new online programme, The Common Purpose Programme, so that it could continue to offer an open programme in our territory.

In 2019/20, CPUK ran 13 open programmes in seven cities in England, Northern Ireland and Scotland with 624 participants, in comparison to the 17 programmes run with 491 participants in 2018/19, a significant increase in participant numbers. Six programmes scheduled to take place in the final quarter were cancelled due to COVID-19. Full bursary places were offered to 105 participants.

The company introduced a new product, Bite-sized, to give buyers a cost-effective way of testing our approach and this has provided a good introduction to our wider customised offer. CPUK delivered customised programmes for a range of clients, including the Co-operative Group, the North East LEP, Chesterfield Royal Hospital NHS Foundation Trust, PLEXUS, NHS England, Leeds CCG and South Yorkshire Police as well as delivering FCO International Leaders study tours in Cardiff and Birmingham for the Common Purpose Charitable Trust.

It also delivered the first Legacy programme in the UK – Newcastle150 – in March and launched UK101, a UK-wide digital only Legacy programme. CPUK no longer offered Student programmes this year, with all student work moving to the group's dedicated Student Experiences subsidiary.

Common Purpose Customised Limited, CPUK's trading subsidiary was largely dormant during the year and the trustees intend to close this company down in 2020/21.

Plans for 2020/21

CPUK's primary goal next year is to take our buyers, our alumni, our stakeholders and participants with us as we pivot to deliver digitally. The quality of the participant and buyer

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experience is as important as ever and we will continue to monitor both closely, but our immediate focus is on two core areas:

i) Income

The business will continue to aim to return to a healthy financial position and make a positive contribution to the group through surplus, licence fee and core cost recovery by:

- Selling the new Common Purpose programmes for emerging and senior leaders
- Extending our place-based Legacy programmes to include a further two new cities
- Being responsive to customer needs by offering customized and bite-sized responses

ii) Programmes

The diversity of our programme groups has always been at the heart of what we do and in 2020/21 across the UK, the Charity will aim to have an average of 20% Black, Asian and Minority Ethnic (BAME) participants and contributors/speakers on our open and Legacy programmes

Beyond this, the board together with the board of CPCT have decided to re-organize the corporate structure of the group. They propose moving the Charity's business activities to the group's trading subsidiary. The Charity will become dormant once existing contracts run out. Further details are provided below in paragraph 11 on page 11.

5. COMMON PURPOSE INTERNATIONAL

CPI works with global organizations to deliver programmes that help develop diaspora leadership around the world. It is also increasingly focusing on delivering existing and new environmental programmes following its engagement to deliver a global environmental programme for a major donor. CPI sees growing demand for environmental leadership and will increasingly focus on this area.

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 which didn't take place as a result of internal changes within 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.

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Plans for 2020/21

We intend 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.

Beyond this, the board together with the board of CPCT have decided to re-organize the corporate structure of the group. They propose moving the Charity's business activities into the group's parent entity, CPCT. The Charity will become dormant once existing contracts run out. Further details are provided below in in paragraph 11 on page 11.

6. COMMON PURPOSE GLOBAL CUSTOMISED LTD

The company manages the licensing arrangements with the Common Purpose licensees, which include 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.

The company also ran customised programmes for a number of commercial clients in the US, UK, Middle East, India, Hong Kong and Singapore, reaching 189 participants. Customised programmes were running very successfully until the start of the COVID-19 pandemic in March 2020. Until then, revenue was slightly ahead of budget and costs were below. The impact of COVID-19, however, resulted in a significant fall in revenue as corporate clients deferred programmes until later in 2020 and into 2021. However, the company saw very few programmes cancelled outright, with clients either opting to defer them until the situation improves, or moving to online.

The company utilised the new online products and services developed by the group to continue delivering programmes. These new programmes met with considerable success from clients, and will form the cornerstone of the customised offering into 2020/21.

Plans for 2020/21

The company will continue to focus on its existing key areas:

- 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;
- 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.

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In addition, Common Purpose Global Customised will become the main entity for UK and global open programmes following the proposed business re-organization. Please refer to paragraph 11 on page 11 below for further details.

7. COMMON PURPOSE ASIA-PACIFIC LTD

The company began the year by completing delivery of its flagship ASEAN Leadership Programme. Customised work during the year included delivering major programmes for a number of regional organisations, with a large percentage of repeat business. As with other parts of Common Purpose, COVID-19 put a stop to in-person programmes after March 2020, however the company quickly moved its offering online and continued to deliver programmes. The July 2020 ASEAN Leadership Programme was delivered completely online.

Plans for 2020/21

The company plans to continue growing its presence in the Asia-Pacific region. It will do this by continuing to build Singapore as a hub for Common Purpose's activities at three levels:

- Global - to drive Global Leadership Programmes such as the ASEAN Leaders Programme from an Asia-Pacific base;
- Regional - to give an Asia-Pacific focus to Common Purpose and help spread its work across this region. This would mean delivering and growing the ASEAN Leaders Programme for the 10 countries of the region and become a crucial player in expanding cross-sector leadership in the region; and
- Local - to make the Singapore base operate to its optimum, Common Purpose will make its presence relevant to the local community by running locally relevant programmes especially for young people in partnership with local stakeholders

8. COMMON PURPOSE STUDENT EXPERIENCES LIMITED

Common Purpose Student Experiences focuses on developing the next generation of inclusive leaders with Cultural Intelligence (CQ): the ability to cross boundaries and thrive in multiple cultures. We collaborate with universities to deliver our co-curricular leadership programmes. These programmes offer a cutting-edge CQ pedagogy with powerful experiential learning techniques, equipping students with CQ to thrive in the world today. They enable universities to complement existing offerings and meet key institutional objectives.

During 2019/20 our main priorities were:

- to continue to innovate in our offerings to universities and to focus on improving quality and content of our programmes
- to maintain and improve the key performance indicators (KPIs) that measure client and participant satisfaction with our programmes
- to continue to take more students from UK and Australian universities on our Global Leadership Experience Abroad programmes to cities across the world, and in particular targeting non-traditional students who don't take up international experiences at university
- through the support of corporate and university partners to run GLE: Home programmes in the major education hubs of the world
- to run large scale in-person and purely online programmes where 500 – 1,000 students can learn together
- to generate over 6,500 total graduate numbers and online participant numbers.

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To achieve this, we ran 27 in-person programmes before COVID-19 affected our operations, reaching 2,145 participants in nine countries. We also saw 388 students complete one of our asynchronous courses.

When COVID-19 made in-person programmes unviable, we quickly re-designed them to be deliverable purely online. In less than three months, we conceived, developed and delivered fully online programmes, demonstrating to our clients our speed of response to the unfolding situation with COVID-19. Our agility and technical competence meant we were able to continue to deliver leadership programmes for our existing clients from March onwards and to offer online leadership programmes to new clients. As a result, from March to July this year we had 5,878 students completing online courses or programmes with us – 1,684 on asynchronous courses and a further 4,194 completing a live “real-time” online programme.

This represents a total across the year of 8,411 students completing a Common Purpose programme. Against this very difficult background, we have also been able to deliver a financial surplus for 2019/20.

Highlights for this period saw over 600 RMIT University students complete the online Global Leadership Forum Worldwide and over 330 students from Glasgow, Gloucestershire, Chicago and Pretoria Universities and Queen’s University Belfast complete the online Global Leadership Forum EMEA.

We have asked all of our participants to tell us whether the programme was good value for their time, rating their response on a scale of 1 to 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 was our student experience Key Performance Indicator (KPI) for 2019/20. The average KPI score across our programmes was 83%, a little lower than some previous years. We have reviewed Value for Time as a performance indicator and decided that it is not as useful a measure as we would like. External events over which we have no control (such as bad weather) can intervene to affect participants’ views. As a result, we are moving to KPIs based on the impact the programme has had on participants.

We also measure the students’ development of key leadership skills. Through attending our programmes, our participants reported that:

- through deepening their understanding of other cultures they became more Empathetic
- through working with difference they became more Agile
- through living with ambiguity they became more Open
- through solving complex problems they became more Influential.

We combine these skills to measure two core competencies, aiming for an average response of 5 or more out of 6 for each across the year (6 being excellent development of the competency and 1 being very poor). Participants gave the following average scores, meaning we are pleased to have exceeded this target over the year across all competencies:

- become more inclusive leaders: 5.29 out of 6
- operate with broader horizons: 5.07 out of 6

In addition, we now ask students if they would recommend the programme to others, again aiming for an average score of 5 or more out of 6 (6 being highly recommended). We are delighted to report an average score of 5.36 across the year, showing the value the students place in their experience with us.

We are especially pleased to see that student satisfaction and development of key leadership skills and competencies has been comparable, or higher, for our new online delivered programmes during COVID-19 in relation to their previous in-person models.

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Plans for 2020/21

Our plans for 2020/21 include:

- to continue to deliver our full suite of online programmes, and develop new online programmes, to ensure that at even at a time of social distancing students can still benefit from our programmes
- as and when circumstances allow, to run in-person programmes where our university partners choose to revert back from online delivery – both as *GLE Home* programmes (i.e. run domestically in their own cities) or *GLE Abroads* (run in cities in different countries to the host university)
- to expand our portfolio of university partners for programmes to include the US, Canada, UAE and Malaysia
- by the end of the financial year, over 9,000 students to have completed our in-person and online programmes – of which 75% go on to successfully earn the associated micro-credential.

9. REVIEW OF FINANCIAL ACTIVITIES

Overview of financial position

Total income for the year 2019/20 was £4,727,881 (2018/19: £6,300,862), representing a fall of 25%. Income fell across all categories of our products except other trading activities.

Unrestricted income fell by 11% and restricted income by 59%. The falls were attributable to the impact of COVID-19 after March 2020, together with a decision from a major funder not to run its programme with us in 2020, again due to COVID-19. Revenue from student programmes fell 30% and from customised programmes by 27%. The Trust also saw revenue of £145,918 from grants under the UK government's Coronavirus Job Retention Scheme, and a donation of \$500,000 from a major philanthropic organization to help support the Trust during the period of COVID-19.

The contribution made by donated goods and services fell by 34% to £369,443 from £562,267. Donated goods and services includes programme venues, offices and other pro bono support provided by a number of organizations. Because we didn't run in-person programmes after March 2020, donated services were not sought. Donated goods and services are recognized as both income and cost, and the effect is therefore overall neutral on the contribution to reserves.

Expenditure was £4,995,998 (2018/19: £5,980,604), a reduction of 16.5%. This reduction reflected efforts to bring expenditure into line with the lower revenue referred to above, while maintaining headcount sufficient to ensure the future sustainability of the Trust. Looking at individual categories:

- Overall, unrestricted expenditure fell by 1.7% as this is where the bulk of salary costs sit. The Trust also delivered some of its larger programmes prior to the COVID-19 lockdown. Restricted expenditure fell by 57.6%, reflecting the deferral of the American Express programme.
- Salary costs increased to £3,038,718 from £3,000,277 in 2018/19, an increase of 2%. This reflected the annual November salary increase. Once the COVID-19 pandemic began, no salary increases or promotions were agreed. The Trust also benefited from the UK government's support between April and July; senior management agreed to salary reductions of between 5% and 20%.
- Programme costs fell by 57% overall, with 61% lower unrestricted programme costs and 51% lower restricted programme costs.
- General overheads fell by 6% to £981k from £1,044k in 2018/19. Business development travel fell by 30%. Bank Charges and Other fell by 45%, due to 2018/19 including a

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contingency provision (fully utilized in 2019/20) together with a one-off cost of meeting our GST liability in Singapore.

The net movement in overall funds for the year ended 31 July 2020 was a deficit of £268,116 (2018/19: surplus of £320,258). The net movement in unrestricted funds was a reduction of £344,398 (2018/19: increase of £49,314) and an increase in restricted funds of £76,282 (2018/19: increase of £270,944). Details of the results for the year are given in the Statement of Financial Activities on page 19.

Donated goods and services

We continued to receive significant support in kind locally and nationally to help keep expenditure in Common Purpose to a minimum. Generous support was received in kind from supporters who act as advisors, speakers, contributors and hosts on the course days. Such valuable 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 our courses. During 2019/20, donated goods and services amounted to £369,443 compared with £562,267 in 2018/19. We gratefully acknowledge the support of the many organisations that donated their services during the year.

Results for the trading subsidiary of Common Purpose Charitable Trust

Common Purpose Global Customised Ltd made a loss of £3,119 for the year (2018/19: profit of £12,446). The income of the trading subsidiary (which comprises licence fee income and customised work) fell to £564,225 from £793,607 in 2018/19.

Intercompany guarantee

CPUK has an intercompany debtor balance with CPSE for £120,629. In light of CPUK's negative reserve balance and the proposed business re-organization, CPCT, has provided a guarantee to meet the full sum CPUK owes CPSE in the event that CPUK cannot repay the amounts concerned in full.

10. RESERVES POLICY

The policy of the trustees is to maintain at a minimum a level of reserves that would enable the group to meet ongoing liabilities in the event of serious interruption to income, recession or orderly wind-down of the Trust in the event of closure. For 2019/20 this was set at a minimum of £1.4m of unrestricted reserve, with an upper limit of £2m. It is the trustees' policy to continue to aim for reserves at this level and to build towards a higher level of reserves to support future growth in the business. The group's reserves policy is updated annually and was most recently presented to the November 2020 meeting of the trustees.

The group's reserves currently stand at £1,442,884, made up of £666,742 of unrestricted reserve and £776,142 of restricted reserve (as at 31 July 2019, reserves totalled £1,711,000, of which £1,011,140 was unrestricted and £699,860 restricted – refer to Restricted Funds note 13 following). Fixed assets made up £106,969 of the total reserve at the year-end (at 31 July 2019 - £127,207).

The make up across the group is:

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	Total	Unrestricted	Restricted
CPCT	1,240,340	471,699	768,641
CP International	106,817	99,317	7,500
CP Global Customised	(124,470)	(124,470)	0
CPUK	(201,707)	(201,707)	0
CP Student Experiences Ltd	254,072	254,072	0
CP Asia-Pacific Ltd	167,302	167,302	0
CP Customised Limited	530	530	0
Total reserves	1,442,884	666,743	776,141

11. PROPOSED BUSINESS RE-ORGANIZATION

The trustees of CPCT, together with the trustees and directors of CPUK, Common Purpose International and Common Purpose Global Customised Ltd, have been involved since July 2020 in a review of the business and organizational structure of the group. They have agreed that during early 2021, the Trust should simplify its structure by:

- moving business activity from Common Purpose UK to the group's trading subsidiary, Common Purpose Global Customised Ltd (CPGC)
- moving business activity from Common Purpose International to the parent entity, CPCT

The purpose of the business restructure is to:

- create a better alignment between the group's evolving business model and the corporate structure needed to achieve it, particularly in light of the impact of COVID-19 on the business
- 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 the highly dynamic and fast moving business environment, particularly over the next 12 to 18 months.

The core activities of both CPUK and CPI will not change but will instead be part of larger teams with stronger support networks for business development and programme delivery. The trustees expect to see similar or larger revenue from each new team, with a lower cost base as resources are shared between teams within CPGC and CPCT.

The trustees believe that both Charities' underlying businesses are fundamentally strong and management's ongoing relationships with key clients are extremely robust.

12. REFERENCE AND ADMINISTRATIVE DETAILS:

Charity number: 1023384
 Company number: 2832875
 Registered office: Monmouth House, 38 – 40 Artillery Lane, London E1 7LS

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13. ADVISERS

Auditors: Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Bankers: National Westminster, 250 Regent Street, London W1B 3BN
Solicitors: Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square
London E1 6PW

14. TRUSTEES AND DIRECTORS

Dr Robert F Care (resigned 3 April 2020)	Lynna Chandra
Richard Charkin (Chair)	Jonathan Donner
David Grace	Sanjeev Gupta
Peter Kulloi	Lauren Le Franc
Mark Linder	Vandana Poria
David Robinson	Shuva Saha
Janis Sanders	Albert Tucker

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

Chief Executive Officer

Adirupa Sengupta

15. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

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

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 the induction of trustees

All trustees are offered an induction, which is tailored to suit their individual requirements. Each new trustee receives an information pack which informs them of their role, the management structure and the policies and systems in place. New trustees are invited to attend a course day to see Common Purpose in action, as well as participating in other Common Purpose events.

Directors' insurance and indemnities

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

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Board sub-committees

Audit and Risk Committee

The Audit and Risk Committee (ARC) meets regularly to review and advise the board on all financial and risk matters as they relate to the group. ARC met seven times during the year. Areas of review included:

- cash flow monitoring, particularly as the COVID-19 pandemic began affect business conditions
- closely monitoring the Trust's financial position, including receiving weekly updates during the height of the lockdown and business interruption in the UK
- advising on the preparation of the budget for 2020/21 in light of changed business conditions and new product offerings
- reviewing management's plans for the proposed business re-organization
- working closely with the Trust's auditors during the height of the pandemic to help close out the 2018/19 accounts
- generally supporting financial matters of the group.

ARC members are David Grace and Jan Sanders, with the Group CEO and Finance Director/Group Company Secretary attending. ARC meets monthly and as required.

Nominations Committee

The Nominations Committee meets periodically to discuss matters to do with board appointments and succession. Its members include Jonathan Donner, Vandana Saxena Poria and, until his resignation from the board, Robert Care.

Organisational structure and decision making

The trustees of Common Purpose Charitable Trust 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 of the strategic objectives of the companies within the group and act to safeguard the organisation's independence and brands.

The trustees set the salary of the Group Chief Executive Officer, who is delegated to set the salaries of senior management. These are benchmarked against average management salaries for the sector. The aggregate emoluments of the key management personnel were £1,273,015 (2018/19: £1,268,878).

Support costs are run centrally and recovered from revenue generating business units. 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.

Local Advisory Groups are advisory only. They have no legal, financial, or managerial responsibility for Common Purpose. They are not representative bodies either. All Advisory Group members attend as individuals in a voluntary and unpaid capacity, which they are invited to take on in their personal, rather than professional, roles.

THE COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2020

If any issue arises at Advisory Group meetings which conflicts with their professional role, members exclude themselves from that section of the discussion.

Risk Review Statement

The trustees have established a regular risk assessment which identifies the major foreseeable risks faced by the Trust, assessing their likelihood and impact, and as appropriate, implementing measures to mitigate these risks. The trustees regularly review a detailed risk register which identifies the major risks to which the Trust is exposed. The risk register assigns a likelihood and impact score to each identified risk, and assigns both management and board responsibility for oversight. The scores are then assigned a colour (red, amber, green) with the most serious risks being closely monitored.

. Major risks discussed and addressed at board level include:

- the impact of COVID-19 on the group and strategies to support our continued solvency
- maintaining our independence and ensuring we keep to our core ethos of supporting diversity, equality, partnership etc.
- succession planning for trustees and key management
- major IT failure due to cyber-attacks or other service interruption
- international HR compliance as we become more global in our operations
- economic uncertainty arising as a result of the UK leaving the European Union in 2019
- financial risks such as dependency on a few large contracts, currency volatility, inadequate reserves.

Impact of COVID-19 (Coronavirus)

The trustees have approved these accounts at a time when the economic uncertainty because of the coronavirus, COVID-19 continues. With the introduction of virus control measures around the world since early March 2020, and in common with most other organisations, the Trust was forced to curtail and refocus its activities for the last five months of the financial year. Face-to-face programmes were suspended in most countries where Common Purpose operates. As a result, all the Trust's programmes will run online for the foreseeable future, and until the governments relax the restrictions related to the pandemic.

Our new major global programme, January, was moved online with great success. Similarly, programmes in the Students business were also moved online. Other programmes have been deferred or rescheduled.

The Trust took advantage of the government employment support schemes in the UK and Singapore:

- In the UK, the Coronavirus Job Retention Scheme allowed us to furlough 25 staff members. We also asked members of the senior management team to take a reduction in salary between April and July 2020. These two measures helped the Trust to maintain employment of its staff and save money for the period during which they apply. Staff will remain on furlough until the scheme ends on 31 October 2020.
- In Singapore, CP Asia-Pacific benefited from the Singapore government's Job Support Scheme.

The Trust successfully applied for a loan of £400,000 under the UK government's Coronavirus Business Interruption Loan scheme. The funds (received in August 2020) will be held as a contingency planning measure in case of a slower than expected recovery.

THE COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2020

In November 2020 the trustees formally reviewed an updated cash flow forecast to January 2022 for the group as a whole. On the basis of the assumptions made by management this showed the Trust remaining cash flow positive throughout the period.

The trustees recognize, however, that given the current situation with 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 COVID-19 restrictions apply. To protect this income, we continue to stay very close to our clients.

The trustees believe, however, that notwithstanding the inherent uncertainties that currently exist, the strength of the Trust's underlying business and management's ongoing relationships with key donors and clients and the actions being taken to mitigate expected reduced activity levels (as mentioned above) mean that the Trust 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 trustees 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 Trust's proposed utilisation of the assistance being provided by the UK and Singapore governments.

The Trust has no investments or other assets that have been significantly impaired as a result of COVID-19. The Trust's reserves have fallen during 2019/20, however the business is budgeting to recover this loss during the coming financial year. The trustees have reviewed and updated the Trust'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.

Statement of trustees' responsibilities

The trustees, who are also the directors of Common Purpose Charitable Trust 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 Trust and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Trust 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 Trust 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 Trust 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 Trust and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2020

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable Trust and group'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.

A resolution re-appointing Haysmacintyre LLP will be proposed at the AGM in accordance with S485 of the Companies Act 2006.

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

Signed by order of the Board of Trustees on 26 November 2020.

DocuSigned by:

E7AF27979AG74DA:.....
David Grace
Trustee

DocuSigned by:

DE61F20868E442G:.....
Jan Sanders
Trustee

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF COMMON PURPOSE CHARITABLE TRUST

Opinion

We have audited the financial statements of Common Purpose Charitable Trust for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust only Balance Sheet, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 July 2020 and of the group's and parent 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 group 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 pages 15 and 16, 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 group's and the parent 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 group or the parent 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 group's or the parent 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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF COMMON PURPOSE CHARITABLE TRUST

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

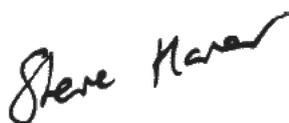
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.



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

10 Queen Street Place
London
EC4R 1AG

20 January 2021

COMMON PURPOSE CHARITABLE TRUST**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account)****FOR THE YEAR ENDED 31 JULY 2020**

		2019/20			2018/19		
	Note	Unrestricted Funds £000s	Restricted Funds £000s	Total funds £000s	Unrestricted Funds £000s	Restricted Funds £000s	Total funds £000s
Income from							
Donated goods and services		369,443	0	369,443	562,267	0	562,267
Charitable activities:							
Open programmes		1,099,596	0	1,099,596	1,548,234	0	1,548,234
Student programmes		897,749	0	897,749	1,261,861	0	1,261,861
Grants		355,956	753,690	1,109,646	249,935	1,850,429	2,100,364
Customised programmes		494,269	0	494,269	682,611	0	682,611
Payments received for staff furlough		145,918	0	145,918	0	0	0
Other Income		0	0	0	41,756	0	41,756
Other trading activities		611,260	0	611,260	103,667	0	103,667
Bank interest		0	0	0	102	0	102
Total		3,974,191	753,690	4,727,881	4,450,433	1,850,429	6,300,862
Expenditure on							
Charitable activities:							
Open programmes		1,278,571	2,140	1,280,711	1,779,557	0	1,779,557
Student programmes		1,094,422	0	1,094,422	1,179,100	16,667	1,195,767
Customised programmes		1,075,893	667,801	1,743,693	1,283,787	1,562,818	2,846,605
Other trading activities		877,171	0	877,171	158,675	0	158,675
Total	6	4,326,057	669,941	4,995,998	4,401,119	1,579,485	5,980,604
Net (expenditure) / income		(351,866)	83,750	(268,116)	49,314	270,944	320,258
Transfers between funds		7,468	(7,468)	0	0	0	0
Net movement in funds		(344,398)	76,282	(268,116)	49,314	270,944	320,258
Fund balances brought forward as at 1 August		1,011,140	699,860	1,711,000	961,826	428,916	1,390,742
Fund balances carried forward as at 31 July		666,742	776,142	1,442,884	1,011,140	699,860	1,711,000

The accompanying notes on pages 23 to 36 form part of the financial statements.

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

THE COMMON PURPOSE CHARITABLE TRUST

Company registered number: 2832875

CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2020

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Intangible fixed assets	7		41,714		49,323
Tangible fixed assets	8		65,255		77,884
			<u>106,969</u>		<u>127,207</u>
CURRENT ASSETS					
Debtors	9	947,133		1,313,648	
Cash at bank and in hand		<u>1,214,348</u>		<u>1,166,021</u>	
Total current assets		<u>2,161,481</u>		<u>2,479,668</u>	
Creditors: amounts falling due within one year	10	<u>(825,566)</u>		<u>(895,875)</u>	
Net current assets			<u>1,335,915</u>		<u>1,583,793</u>
TOTAL ASSETS LESS LIABILITIES			<u><u>1,442,884</u></u>		<u><u>1,711,000</u></u>
RESERVES					
Restricted funds	14		776,141		699,860
Unrestricted funds	13		<u>666,743</u>		<u>1,011,140</u>
			<u><u>1,442,884</u></u>		<u><u>1,711,000</u></u>

The accompanying notes on pages 23 to 36 form part of the financial statements.

The 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 authorised for issue by the Board of Trustees on 26 November 2020 and were signed below on its behalf by:

DocuSigned by:



E7AF27979AG74DA:.....

David Grace
Trustee

DocuSigned by:



DE61F20858E442C:.....

Jan Sanders
Trustee

THE COMMON PURPOSE CHARITABLE TRUST

Company registered number: 2832875

BALANCE SHEET (TRUST ONLY)**AS AT 31 JULY 2020**

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8		48,135		56,801
			<u>48,135</u>		<u>56,801</u>
CURRENT ASSETS					
Debtors	9	683,531		1,020,117	
Cash at bank and in hand		<u>753,884</u>		<u>570,327</u>	
Total current assets		1,437,415		1,590,444	
Creditors: amounts falling due within one year	10	<u>(517,427)</u>		<u>(310,031)</u>	
Net current assets			919,988		1,280,413
TOTAL ASSETS LESS LIABILITIES			<u>968,123</u>		<u>1,337,214</u>
RESERVES					
Restricted funds			776,950		674,804
Unrestricted funds			<u>191,173</u>		<u>662,410</u>
			<u>968,123</u>		<u>1,337,214</u>

The Common Purpose Charitable Trust made a loss before consolidation of £369,091 (2018/19: surplus of £116,866).

The accompanying notes on pages 23 to 36 form part of the financial statements.

The 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 authorised for issue by the Board of Trustees on 26 November 2020 and were signed below on its behalf by:

DocuSigned by:

 E7AF27979AC74DA...
 David Grace
 Trustee

DocuSigned by:

 DE61F20858E442C...
 Jan Sanders
 Trustee

THE COMMON PURPOSE CHARITABLE TRUST**CONSOLIDATED CASH FLOW STATEMENT****YEAR ENDED 31 JULY 2020**

		2020	2019
		£	£
Net cash (outflow) / inflow from operating activities	11	(47,167)	223,636
Returns on investments and servicing of finance			
Interest received		0	102
Capital expenditure			
Payments to acquire tangible and intangible fixed assets		(30,117)	(36,594)
(Decrease) / increase in cash		(77,284)	187,144
Cash at bank and in hand at start of year		1,133,519	946,374
Cash at bank and in hand at end of year		1,056,235	1,133,519

The accompanying notes on pages 23 to 36 form part of the financial statements.

The balance of £1,056,235 cash at bank and in hand is made up as follows:

	2019/20	2018/19
Cash	£1,214,347	£1,166,021
Bank overdraft utilised	£(158,112)	£(32,502)
Total	£1,056,235	£1,133,519

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

Common Purpose Charitable Trust is a charitable company limited by guarantee. Further details are shown in section 15 of the Trustees' Annual Report.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable Trust is a public benefit entity for the purposes of FRS 102 and therefore the Trust 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.

(a) Financial instruments

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

(b) Revenue recognition

In the view of the trustees in applying the accounting policies adopted, judgement was required in relation to revenue recognition of accrued income.

<i>Programme delivery date</i>	<i>% of contracted amount</i>
First quarter of the following financial year	75%
Second quarter of the following financial year	50%

(c) 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.

(d) Income

Income represents the total income receivable during the year comprising fees from open programmes, student programmes, customised programmes, as well as grants for large international projects, bank interest and other income.

Income and expenditure related to open 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.

Income and expenditure related to student and customised programmes is matched and any surplus on a course is recognised in the accounting year in which it arises. Due to the nature of the programmes, income is partially based on the services rendered within the financial year.

Grant income is recognized in its entirety at the time it is received as long as there are no conditions that prevent recognition. Grant income is held as restricted income until such time as programme delivery costs are incurred.

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

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

(e) 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 6b to the accounts.

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

(f) 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 over ten years.

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

Amortisation of software with a perpetual licence is calculated on an annual basis of ten years.

(g) Leased assets

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

(h) Basis of consolidation

The group financial statements consolidate the financial statements of The Common Purpose Charitable Trust, Common Purpose UK, Common Purpose International, Common Purpose Customised Ltd, Common Purpose Global Customised Ltd, Common Purpose Student Experiences Ltd and Common Purpose Asia-Pacific Ltd. The financial statements of CPSE's branch in Australia are consolidated into the accounts of CPSE. No statement of financial activities is presented for The Common Purpose Charitable Trust as provided by section 408 of the Companies Act 2006.

(i) 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.

(j) Going concern

The accounts are approved during a period where the impacts of COVID-19 continue to be felt in Common Purpose's business. The Trust's response has been to reforecast its cash flow in light of COVID-19. This forecast shows the Trust staying cash flow positive for the next 12 months despite the impact on income during the 2019/20 financial year. The trustees have also made use of funding and other support facilities available to it, including UK government initiatives around employment and lending support. The trustees believe therefore that the Trust has sufficient resources to continue its activities for the foreseeable future. They consider that any uncertainties over the Trust's financial

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2020**

viability are manageable. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. NET MOVEMENT IN FUNDS - Group and Trust

	2020	2019
	£	£
The net movement in funds is arrived at after charging:		
Depreciation and amortisation	50,357	43,326
Auditors' remuneration for audit services	41,806	26,113
Auditors' remuneration for non-audit related services	1,600	2,000
Operating lease rentals - land and buildings	106,128	105,537
Operating lease rentals – equipment	<u>30,356</u>	<u>30,356</u>

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

3. STAFF NUMBERS AND EMOLUMENTS - Group and Trust

	2020	2019
	Number	Number
The average number of persons employed by the group during the year was:		
Programme sales and delivery	47	49
Operational support	21	20
	<u>68</u>	<u>69</u>
Staff costs	£	£
Wages and salaries	2,728,307	2,657,687
Social security costs	263,240	293,734
Employer Pension Contribution	62,961	48,856
	<u>3,054,508</u>	<u>3,000,277</u>

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

	Number	Number
£60,000 - £69,999	2	2
£70,000 - £79,999	1	3
£80,000 - £89,999	3	0
£90,000 - £99,999	1	0
£100,000 - £109,999	0	2
£110,000 - £119,999	0	0
Over £130,000	1	1
Total	<u>8</u>	<u>8</u>

Aggregate emoluments of the Senior Management Team

	£	£
Salary	1,123,458	1,134,793
Social security costs	119,988	113,248
Pension	29,569	20,837
	<u>1,273,015</u>	<u>1,268,878</u>

The senior management team includes those employees who report directly to the CEO, made up of the heads of business units and support teams. During 2019/20 the senior management team consisted of eleven people in CPCT, four in CPUK and one in CPAPL. Employer pension contributions relate to

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2020**

defined contribution arrangements only and these are charged to expenditure as they fall due. One termination payment in the sum of £7,666.67 was made during the year.

4. RESULTS FROM COMMON PURPOSE CHARITABLE TRUST TRADING SUBSIDIARIES

The group has two trading subsidiary companies.

Common Purpose Customised Limited (company no. 03476595) is incorporated in the UK and its main area of activity is to provide customised courses in the UK. It is a wholly owned subsidiary of Common Purpose UK which in turn is a charitable subsidiary of Common Purpose Charitable Trust. The members of Common Purpose Customised Limited intend to close the company after 31 July 2020.

Common Purpose Global Customised Limited (company no.08613775) is a wholly owned subsidiary of The Common Purpose Charitable Trust and is incorporated in the UK. It manages licensing arrangements and the provision of services to the Common Purpose licensees. The company covenants its taxable profits to The Common Purpose Charitable Trust. The company was incorporated in July 2013 and became active on 1 August 2015 when its business was transferred from Common Purpose Customised Ltd.

The results and net assets of the companies are shown below:

	Common Purpose Customised Limited		Common Purpose Global Customised Limited	
	2020	2019	2020	2019
Profit and loss account	£	£	£	£
Turnover	14,188	20,880	564,225	789,048
Administrative expenses	(1,860)	(20,381)	(564,652)	(645,513)
Interest paid	0	0	(2,692)	(2,692)
Retained profit / (loss)	<u>12,328</u>	<u>499</u>	<u>(3,119)</u>	<u>140,843</u>
Balance sheet				
Fixed assets	0	0	37,872	47,846
Current assets	0	3,973	198,959	428,050
Current liabilities	530	(15,476)	(253,626)	(465,126)
Long term liabilities	0	0	(107,674)	(107,674)
Surplus / (Deficit) on reserves	<u>530</u>	<u>(12,002)</u>	<u>(124,469)</u>	<u>(237,749)</u>

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2020****4a. RESULTS OF CHARITABLE SUBSIDIARIES**

The Common Purpose Charitable Trust has three UK charitable subsidiaries, Common Purpose UK (company no. 03556983, charity no. 1023384), Common Purpose International (company no. 03207453, charity no. 1056573) and Common Purpose Student Experiences Limited (company no. 09526939), together with a subsidiary in Singapore (Common Purpose Asia Pacific Ltd). Common Purpose Student Experiences also operated a branch of an overseas company in Australia. These results are consolidated with CPSE's.

	Common Purpose UK		Common Purpose International	
	2020	2019	2020	2019
Income	£	£	£	£
Income from donated goods and services	345,975	562,267	0	0
Income from charitable activities	1,099,935	1,299,620	122,499	203,554
Net cost recoveries from other group entities	144,042	149,051	129,575	256,729
Total income	1,589,952	2,010,938	252,074	460,283
Expenditure				
Charitable activities	1,694,846	1,991,242	338,272	447,801
Net movement in funds	(104,893)	19,696	(86,198)	12,482
Surplus covenanted to CPCT	0	0	0	0
Assets	197,554	461,252	111,088	210,494
Liabilities	(399,262)	(520,704)	(4,271)	(17,479)
Net funds	(201,708)	(59,452)	106,817	193,015

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

	Common Purpose Student Experiences Ltd	
	2020	2019
Income	£	£
Income from donated goods and services	0	0
Income from charitable activities	609,839	604,168
Net cost recoveries from other group entities	345,338	470,589
Total income	955,177	1,074,757
Expenditure		
Charitable activities	873,165	994,444
Net movement in funds	82,012	80,313
Surplus covenanted to CPCT		0
Assets	444,515	312,199
Liabilities	(190,443)	(140,139)
Net funds	254,072	172,060

Common Purpose Asia Pacific Ltd

	2020	2019	2020	2019
	GBP	GBP	SGD	SGD
Income				
Grant from Common Purpose Charitable Trust	0	41,404	0	70,307
Income from charitable and trading activities	524,964	1,018,371	918,050	1,729,247
Net cost recoveries from other group entities	163,907	177,910	286,638	302,101
Total income	688,871	1,124,908	1,204,688	2,024,835
Expenditure				
Charitable activities	764,546	1,218,709	1,337,027	2,069,432
Net movement in funds	(75,675)	146,474	(132,339)	263,653
Assets	263,870	477,500	461,451	796,466
Liabilities	(91,455)	(217,393)	(159,935)	(362,610)
Net funds	172,415	223,130	301,517	401,633

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

5. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES (Group and Trust)

No emoluments were paid during the year (2018/19: nil). Nil expenses were reimbursed to trustees (2018/19: £253).

6a. ANALYSIS OF EXPENDITURE

	Direct costs	Support Costs	Total 2020	Direct costs	Support Costs	Total 2019
	£	£	£	£	£	£
Open programmes	916,452	364,259	1,280,711	1,410,655	368,902	1,779,557
Student programmes	797,027	297,395	1,094,422	895,099	300,667	1,195,766
Customised programmes	1,496,786	246,908	1,743,694	2,183,498	663,108	2,846,605
Other trading activities	713,437	163,734	877,171	124,000	34,675	158,675
	3,923,702	1,072,296	4,995,998	4,613,252	1,367,352	5,980,604

6b. ANALYSIS OF SUPPORT COSTS

	2020			Total	2019			Total
	Central support costs	Licence fee	Governance		Central support costs	Licence fee	Governance	
	£	£		£	£		£	
Open programmes	294,785	56,722	12,752	364,259	270,988	90,869	7,045	368,902
Student programmes	240,673	46,310	10,412	297,395	220,864	74,061	5,742	300,667
Customised programmes	197,559	45,221	4,128	246,908	487,105	163,339	12,664	663,108
Other trading activities	132,506	25,496	5,732	163,734	25,471	8,541	663	34,675
	865,523	173,749	33,024	1,072,296	1,004,428	336,810	26,114	1,367,352

Support costs are apportioned on the basis of the percentage of each activity's direct expenditure. Central services includes Finance, HR, Marketing and Operational support. Support costs are fully recovered from business units.

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2020****7. INTANGIBLE FIXED ASSETS**

	Software Costs	Group Trademarks	Total
	£	£	£
COST			
At 1 August 2019	243,192	38,681	281,873
Additions	<u>0</u>	<u>2,531</u>	<u>2,531</u>
At 31 July 2020	<u>243,192</u>	<u>41,212</u>	<u>284,404</u>
AMORTISATION			
At 1 August 2019	199,510	33,039	232,549
Charge for year	<u>8,524</u>	<u>1,617</u>	<u>10,141</u>
At 31 July 2020	<u>208,034</u>	<u>34,656</u>	<u>242,690</u>
NET BOOK VALUE			
At 31 July 2020	<u><u>35,158</u></u>	<u><u>6,556</u></u>	<u><u>41,714</u></u>
At 1 August 2019	<u><u>43,682</u></u>	<u><u>5,642</u></u>	<u><u>49,324</u></u>

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2020****8. TANGIBLE FIXED ASSETS – GROUP**

	Leasehold improvements	Group Computer equipment	Total
	£	£	£
COST			
At 1 August 2019	161,267	1,334,899	1,496,166
Disposal	0	0	0
Additions	0	27,585	27,585
	<u>161,267</u>	<u>1,362,484</u>	<u>1,523,751</u>
At 31 July 2020	<u>161,267</u>	<u>1,362,484</u>	<u>1,523,751</u>
DEPRECIATION			
At 1 August 2019	145,018	1,273,263	1,418,281
Disposal	0	0	0
Charge for year	2,873	37,342	40,215
	<u>147,891</u>	<u>1,310,605</u>	<u>1,458,496</u>
At 31 July 2020	<u>147,891</u>	<u>1,310,605</u>	<u>1,458,496</u>
NET BOOK VALUE			
At 31 July 2020	<u>13,376</u>	<u>51,879</u>	<u>65,255</u>
At 1 August 2019	<u>16,249</u>	<u>61,636</u>	<u>77,885</u>

All the fixed assets are used for direct charitable activities.

Included in the above table are assets related to the parent charitable Trust with a net book value of £48,134 (2018/19: £56,801).

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2020****9. DEBTORS**

	Group		Trust	
	2020	2019	2020	2019
	£	£	£	£
Tuition fees and sponsorship income	452,834	351,736	131,683	125,004
Prepayments	17,603	192,218	20,703	133,352
Accrued income	476,079	689,796	209,967	130,399
Other debtors	0	79,099	29,169	6,136
Prepaid marketing material	617	799	0	0
Amounts due from group undertakings	0	0	184,335	517,552
Loans to group companies	0	0	107,674	107,674
	<u>947,133</u>	<u>1,313,648</u>	<u>683,531</u>	<u>1,020,117</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Trust	
	2020	2019	2020	2019
	£	£	£	£
Overdraft	158,112	32,502	140,158	14,548
Sundry creditors and accruals	283,189	327,000	246,349	218,066
Other taxes and social security	208,642	240,355	65,741	47,370
Deferred income	175,622	296,018	0	10,200
Amounts due to group undertakings	0	0	55,409	19,847
	<u>825,566</u>	<u>895,875</u>	<u>507,657</u>	<u>310,031</u>

Deferred income relates to work due to be undertaken in the coming year. The brought forward deferred income has been released in full into the current year's Statement of Financial Activities.

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

11. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group	
	2020	2019
	£	£
Net increase / (decrease) in funds	(268,116)	320,258
Interest received	0	(102)
Disposal of tangible fixed assets	0	883
Depreciation and amortisation	50,356	43,325
Increase in debtors	366,515	214,162
Increase in creditors	(195,922)	(354,889)
Net cash inflow from operating activities	<u>(47,167)</u>	<u>223,636</u>

12. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	2019	Group Change in year	2020
	£	£	£
Cash at bank and in hand	1,133,519	(77,284)	1,056,235
	<u>1,133,519</u>	<u>(77,284)</u>	<u>1,056,235</u>

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	106,969	0	106,969
Current assets	1,385,340	776,141	2,161,481
Current liabilities	(825,566)	0	(825,566)
	<u>666,743</u>	<u>776,141</u>	<u>1,442,884</u>
2019	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	127,207	0	127,207
Current assets	1,779,808	699,860	2,479,668
Current liabilities	(895,875)	0	(895,875)
	<u>1,011,140</u>	<u>699,860</u>	<u>1,711,000</u>

14. RESTRICTED FUNDS

2020	Brought forward	Income	Expenditure	Transfers / gains	Carried forward
American Express Foundation	249,848	0	117,167	0	132,681
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
MAVA Foundation	351,607	495,111	310,620	0	536,098
Women Emerging from Isolation	0	28,720	177	0	28,542
Grants for the development of UK101 project	73,500		2,179	0	71,321
TOTAL	698,682	548,830	463,902	(7,468)	776,142
2019	Brought forward	Income	Expenditure	Transfers / gains	Carried forward
American Express Foundation	177,337	789,826	717,315	-	249,848
Asfari Foundation	18,306	71,482	74,721	-	15,067
British Council Pakistan	20,700	71,960	84,000	-	8,660
Penny Appeal	-	36,338	36,338	-	-
MAVA Foundation	211,397	790,656	650,446	-	351,607
The Weir Group	-	16,667	16,667	-	-
Grants for the development of UK101 project	-	73,500	-	-	73,500
TOTAL	427,740	1,850,429	1,579,487	-	698,682

THE COMMON PURPOSE CHARITABLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2020****16. OPERATING LEASE COMMITMENTS – LESS THAN FIVE YEARS**

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

	2020	2019
	Land and buildings	Land and buildings
Within:	£	£
more than one year and less than 5 years	428,350	428,350
over five 5 years	<u>0</u>	<u>107,088</u>
	2020	2019
	Equipment	Equipment
	£	£
Within:		
more than one year and less 5 years	<u>15,178</u>	<u>45,534</u>

17. RELATED PARTY TRANSACTIONS

During the year, one related party transaction was made. The sister of a trustee of CPCT was engaged to provide chairing at a programme in the United States, receiving remuneration of £1,500. There were no other related party transactions in the current or previous year.

Companies within the CPCT group routinely enter into transactions with other group companies. These transactions are to pay for staff engaged from other group entities, and to provide funding for programme costs where programmes were being delivered by a different group entity. Net inter-group debtor and creditor balances as at year end were as follows:

	£
Common Purpose Asia-Pacific Ltd	491
Common Purpose Global Customised Ltd	211,109
Common Purpose UK	244,140
Common Purpose Customised Limited	(12,000)
Common Purpose Charitable Trust	(282,968)
Common Purpose International	(54,946)
Common Purpose Student Experiences Ltd	<u>(116,540)</u>
Net intercompany debtor / (creditor) balance	(10,714)