



COMMON PURPOSE LIMITED
(formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2021

Company registered number: 8613775

COMMON PURPOSE LIMITED
(formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

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COMMON PURPOSE LIMITED
(formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)

DIRECTORS AND COMPANY DETAILS

FOR THE YEAR ENDED 31 JULY 2021

DIRECTORS

Richard Charkin (resigned 26 November 2020)
David Grace (Chair)
Mark Linder
Vandana Saxena Poria (appointed 4 August 2021)

CHIEF EXECUTIVE OFFICER

None for the period

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 LIMITED
(formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021

The directors of the company are pleased to present their report together with the audited financial statements of the company for the reporting year ended 31 July 2021.

Activities

Common Purpose Limited ("the company") is a subsidiary of The Common Purpose Charitable Trust ("CPCT"). It changed its name from Common Purpose Global Customised Ltd on 19 January 2021. Following a re-organization of the business activities of the group in February 2021, the company now has three areas of activity within the wider group: issuing licences to companies to sell and deliver Common Purpose programmes, a business unit focused on UK open and customised programmes (formerly part of Common Purpose UK) and a business unit covering open and customised programmes across Europe, the Middle East and South Asia.

1. Licences

The company manages the licensing arrangements with the Common Purpose licensees, which in 2020/21 included Common Purpose UK, 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 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.

Common Purpose Customised Ltd, the trading subsidiary of Common Purpose UK was dissolved on 6 April 2021. Common Purpose Hungary did not trade during the period.

The company began the process of acquiring the shares of its Indian licensee, Civilia India Educational Programmes Pvt Ltd (CIEP) in May 2021. CIEP is now a subsidiary of CPL.

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

2. UK programmes

Following the business re-organization in February 2021, the activities of Common Purpose UK were moved into CPL. these activities include online open programmes run across the UK, together with customised programmes delivered to UK corporates.

3. Europe, Middle East and South Asia (EMESA)

The team formerly responsible for sales of customised work was expanded as part the business re-organization to focus on a wider geography. Since February it has covered sales and delivery to key global corporate clients, together with global open programmes (the flagship January programme, and The Common Purpose Programme in countries where the company doesn't have a local sales presence). With the incorporation of CIEP into the group, the team's remit was expanded to include business development in the South Asia region.

Objectives for the year

The key objectives for 2020/21 were to:

- ensure the business continued to operate successfully despite the difficult trading conditions occasioned by the COVID-19 pandemic
- continue the financial recovery of the company so that its reserves were positive by year end
- successfully complete the business re-organization, by bringing like teams together, benefiting from the synergy around sales, and reducing costs
- repay the outstanding balance of the loan provided by its parent, by the latest at the end of first quarter, 2021/22.

Review of activities

The company continued to provide services to its fellow subsidiaries set out above and to licensees in the UK, Ireland, Germany, Hong Kong, Hungary, South Africa, India, Turkey and the US.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021

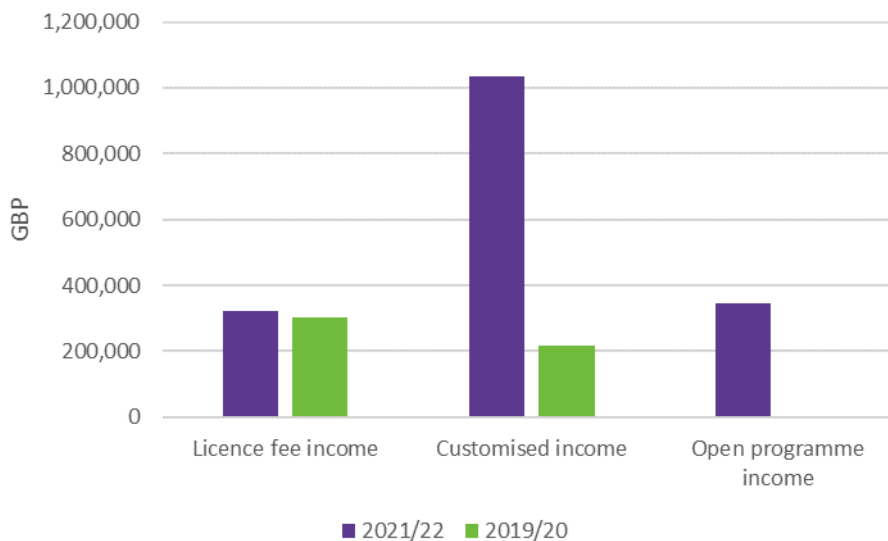
It ran open programmes (principally the January global programme) together with customised programmes for commercial clients in the US, UK reaching 1,419 participants. The impact of COVID-19 resulted in the company moving its programmes fully online. We are incredibly grateful to our clients who stuck by us during the pandemic. Our programmes all shifted to online and as a result, the business continued to operate successfully and profitably.

Following the re-organization, the company began offering open programmes both in the UK and globally and these also contributed the successful outcome of the year.

Results for the year

Overall the company returned a profit of £358.6k (2019/20: loss of £3.1k) driven by a significant increase in revenue.

Turnover in 2020/21 was £1,743.1k (2019/20: £564k) with the split between business units shown below:



- Income from licensees of Common Purpose rose to £323.3k (2019/20: £303.3k)
- Income from customised courses rose to £1,034.1k (2019/20: £215.7k)
- Income from newly added open programmes (starting in February 2021) was £346.8k

Part of the business re-organization meant that more staff were recharged to the company. As a result, salary costs rose to £525.9k from £269k in 2019/20. However, this cost was in part reduced by the creation of a dedicated team within CPCT to provide programme delivery. Staff were moved out of CPL into CPCT for this purpose, and CPL paid programme delivery costs of £188k.

Programme costs were contained to £18k (2019/20: £35k) reflecting the lower cost of online delivery.

Overhead cost increased by 43% to £120.7k from £84k as a result of meeting the cost of staff based in India following the acquisition of CIEP.

Plans ahead for 2021/22

Now that the business re-organization is complete, the company will continue to focus on its existing key areas:

**COMMON PURPOSE LIMITED
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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021

- to build on already established and key relationships in other parts of Common Purpose to maximise interest in customised work globally, particularly focusing on the new markets of the Middle East and South Asia
- continue to grow the UK business by expanding the reach of the key open programme, The Common Purpose Programme
- to keep up with the market trends in the company's sector and align IT systems internally and externally to enhance the online experience for our staff, customers, participants and alumni community;

Business re-organization

In July 2020 the directors of the company and of its parent, CPCT, reviewed the business and organizational structure of the group. They agreed that during the first calendar quarter of 2021, the group would simplify its structure in order 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
- 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.

A specific objective of the re-structure was to allow the company to restore its balance sheet, which has held negative reserves for a number of years. It is the directors' firm intention that the increased throughput of business activity would be the driver of greater profitability and stability.

The re-organization was undertaken from February 2021. All UK-based open programmes, which until January 2021 were run in Common Purpose UK, moved into the company. The new EMESA business unit was established with an expanded remit, and services for licensees remained in their previous business unit.

Staff formerly employed in CPUK were moved to CPCT and seconded to CPL.

Going concern

The company's profit for the year marks a turnaround for the business. The company maintained positive cash flows throughout 2020/21. The directors regularly review cash flow forecasts for the company looking up to 12 months ahead. In November 2021, the trustees considered a 12-month cash flow forecast based on the assumptions made by management. The cash flow forecast showed the company remaining cash flow positive throughout the period to December 2022. The business re-organization has helped support the company's cash position.

CPCT provided a loan to the company in 2016 following trading losses. It is the intention of the directors that the loan will be fully repaid at the latest by the end of the first quarter of 2021/22. CPCT will continue to provide short-term liquidity if needed, however business re-organization has already helped restore the company's balance sheet. On this basis, the directors have concluded that the going concern basis remains appropriate.

Impact of COVID-19 (Coronavirus)

The accounts cover a year in which the impacts of the COVID-19 pandemic continued to be felt globally. The company's moved all programmes to online delivery from July 2020. This approach met with considerable approval from clients and participants and enabled the company to continue to deliver and grow.

Through its parent, The Common Purpose Charitable Trust, the company took advantage of the UK government's Coronavirus Job Retention Scheme to furlough staff members during the year. The total benefit to the company was £10,087. All staff had returned from furlough by January 2021.

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In November 2021, the directors considered a 12-month cash flow forecast and based on the assumptions made by management this showed the company remaining cash flow positive throughout the period to December 2022.

The directors recognize, however, that given the current situation relating to COVID-19 any forecast of future activity levels and thus cash flow is inherently uncertain. The key uncertainty is the extent to which uncontracted income will be realised while the COVID-19 restrictions apply. To protect this income, we continue to stay very close to our clients. The company expects to see a return to in-person delivery during the coming year as COVID restrictions start to ease around the world; however, online delivery will remain a key component of the business, particularly given the different pace at which restrictions are being lifted.

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

The directors will continue to actively monitor staff levels and operational costs and take such steps as they consider necessary to help ensure these remain in line with activity levels and income.

The company has no investments or other assets that have been significantly impaired because of COVID-19. The directors 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.

Governing document and constitution

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

Methods adopted for the recruitment and appointment of directors

We encourage people interested in becoming directors of the company 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 directors 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 directors

All directors are offered an induction, which is tailored to suit their individual requirements. Each new director receives an information pack that informs them of their role, the management structure and the policies and systems in place. New directors 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 company does not have a Chief Executive Officer. Responsibility for the company is shared between the group's Finance Director (for licensees) and Aditi Bhat (Managing Director, Europe, Middle East and South Asia, CPCT) for commercial clients and Marie Mohan (UK Director, and formerly CEO of CPUK).

Directors' insurance and indemnities

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

- Professional indemnity
- Directors and individual liability
- Professional and legal liability

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FOR THE YEAR ENDED 31 JULY 2021

Risk review statement

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

The ability of the company to continue to operate is dependent upon identifying and securing income and support from companies and from the continued successful operation of licensees. The principal risk is that a shortfall in such income could lead to losses in the company. This has been addressed by a close focus on managing costs and a strong focus on sales strategy to appropriate clients. The company has also continued to develop and refine its product offering based on market response and feedback from key stakeholders. In 2020/21, this meant delivering programmes online rather than in person, and ensuring clients were offered a high quality and meaningful experience that supported their wish for leadership development in their staff.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

In preparing this report the directors have taken advantage of the exemptions available to small companies.

Approved by the directors on 24 November 2021 and signed on their behalf by

DocuSigned by:

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David Grace
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMMON PURPOSE LIMITED (formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)**

Opinion

We have audited the financial statements of Common Purpose Limited (the 'company') for the year ended 31 July 2021 which comprise the Profit and Loss account, Balance sheet, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMMON PURPOSE LIMITED (formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the business and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMMON PURPOSE LIMITED (formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)**

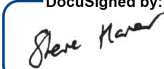
posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted around the year-end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:


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

10 Queen Street Place
London
EC4AR 1AG

Date: 28 February 2022

COMMON PURPOSE LIMITED
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PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2021

	Note	2021	2020
		£000s	£000s
Turnover			
Open programmes		346.8	0.0
Customised programmes		1,034.1	243.7
Licensees		323.3	303.3
Other income		38.8	17.2
Total turnover		1,743.1	564.2
Administrative expenses			
	4		
Salaries		(525.9)	(269.0)
Programme costs		(357.4)	(186.2)
Overhead and central recoveries		(501.2)	(109.5)
Interest paid		0.0	(2.6)
Total administrative expenses		(1,384.5)	(567.3)
Profit / (loss) on ordinary activities before taxation		358.6	(3.1)
Retained profit / (loss) for the financial year		358.6	(3.1)

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

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

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Company registered number 8613775

BALANCE SHEET

AS AT 31 JULY 2021


		2021		2020	
	Note	£000s	£000s	£000s	£000s
Fixed assets					
Intangible fixed assets	6		7.0		8.8
Tangible fixed Assets	6a		23.9		39.1
Current assets					
Debtors and accrued income	7	664.1		351.0	
Cash at bank and in hand		93.5		44.9	
		<u>757.6</u>		<u>395.9</u>	
Creditors: amounts falling due within one year	8	(554.5)		(457.4)	
			<u>203.1</u>		<u>(61.5)</u>
Net current assets					
Total assets less current liabilities			<u>234.0</u>		<u>(13.7)</u>
Creditors: amounts falling due after more than one year	9		0.0		107.7
					<u>107.7</u>
Net assets / (liabilities)			<u>234.0</u>		<u>(121.4)</u>
Capital and reserves					
Reserves			234.0		(121.4)
Issued share capital	10		0.0		0.0
			<u>234.0</u>		<u>(121.4)</u>

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

The company has issued share capital of £1.00.

The financial statements were approved and authorized for issue by the Board of Directors on 24 November 2021 and were signed below on its behalf by:

DocuSigned by:


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David Grace
Director

COMMON PURPOSE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

1. ENTITY STATUS

Common Purpose Limited is a private company limited by guarantee, registered in England and Wales under number 8613775. Its registered office address is shown on page 1. The company was formerly known as Common Purpose Global Customised Ltd, but changed its name on 19 January 2021.

2. ACCOUNTING POLICIES

Accounting basis

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards ("UK GAAP"), including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") Section 1A, Small Entities.

Assets and liabilities are initially measured at cost or transaction value. There are no items requiring subsequent re-measurement at fair value. The company holds only basic financial instruments. There are no areas of material estimation uncertainty.

Revenue

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

Turnover represents the transaction value, which is also the fair value, of fees invoiced in respect of customized courses, net of VAT and discounts.

Going concern

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

The business re-organization undertaking during the year has resulted in the company returning to profit.

The accounts are approved during a period where the long-term economic and social impacts of the coronavirus COVID-19 appear to be lessening. The company has reforecast its cash flow in light of the global situation regarding COVID-19. This forecast shows the company staying cash flow positive for the next 12 months. The directors believe therefore that the company has sufficient resources to continue its activities for the foreseeable future, particularly following the success of business re-organization. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Depreciation and amortisation

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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Foreign currency translation

Transactions denominated in foreign currencies are initially translated into sterling at the exchange rate at the transaction date. Monetary items are retranslated at the balance sheet date and the resulting differences are reflected in the Statement of Financial Activities.

Intangible fixed assets and amortisation

Software costs and the costs of acquiring trademarks are capitalised at cost.

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

Software costs	33% straight line
Trademarks	20% straight line

3. EMPLOYEE COSTS

The company did not directly employ staff during year or during the previous year (2019/20). The directors did not receive any remuneration during the current or previous year.

4. ADMINISTRATIVE EXPENSES

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

5. NET MOVEMENT IN FUNDS

The net movement in funds is arrived at after charging:

	2021	2020
	£000s	£000s
Amortisation	22.8	26.2
Auditors' remuneration	<u>7.8</u>	<u>2.4</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2021

6. INTANGIBLE FIXED ASSETS

	Software Cost £000s	Trademarks £000s	Investment £000s	Total £000s
COST				
At 1 August 2020	182.9	41.2	0.0	224.1
Additions	<u>0.0</u>	<u>0.0</u>	<u>3.0</u>	<u>3.0</u>
At 31 July 2021	<u>182.9</u>	<u>41.2</u>	<u>3.0</u>	<u>227.1</u>
AMORTISATION				
At 1 August 2020	182.5	34.7	0.0	217.1
Disposal	0.0	0.0	0.0	0.0
Charge for year	<u>1.7</u>	<u>1.3</u>	<u>0.0</u>	<u>3.0</u>
At 31 July 2021	<u>184.1</u>	<u>36.0</u>	<u>0.0</u>	<u>220.1</u>
NET BOOK VALUE				
At 31 July 2021	<u>(1.3)</u>	<u>5.2</u>	<u>3.0</u>	<u>7.0</u>
At 1 August 2020	0.4	6.6	0.0	7.0

COMMON PURPOSE LIMITED
(formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2021

6a. TANGIBLE FIXED ASSETS

	Hardware Cost £000s	Total £000s
COST		
At 1 August 2020	86.9	86.9
Disposal	0.0	0.0
Additions	12.8	12.8
	<hr/>	<hr/>
At 31 July 2021	99.7	99.7
	<hr/>	<hr/>
DEPRECIATION		
At 1 August 2020	56.0	56.0
Disposal	0.0	0.0
Charge for year	19.8	19.8
	<hr/>	<hr/>
At 31 July 2021	75.8	75.8
	<hr/>	<hr/>
NET BOOK VALUE		
At 31 July 2021	23.9	23.9
	<hr/> <hr/>	<hr/> <hr/>
At 1 August 2020	39.1	39.1

7. DEBTORS

	2021 £000s	2020 £000s
Trade debtors	370.0	23.3
Prepayments	0.0	6.6
Accrued income	161.9	99.3
Amounts due from group undertakings	132.2	0.0
	<hr/>	<hr/>
	664.1	129.2
	<hr/> <hr/>	<hr/> <hr/>

COMMON PURPOSE LIMITED
(formerly COMMON PURPOSE GLOBAL CUSTOMISED LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2021

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000s	2020 £000s
Trade creditors	213.2	29.0
Amounts due to group undertakings	290.3	317.9
Other taxes and social security	51.0	14.4
	<u>554.5</u>	<u>332.3</u>

Following the company's loss in 2015/16, the directors entered into a loan agreement on 1 August 2016 for £250,674 with its parent company Common Purpose Charitable Trust. The loan is repayable over five years at an annual interest rate of 2.5% per annum. No interest payments were made during the year. The Company will repay the outstanding balance during the first quarter of the financial year 2021/22. Further details of the loan can be found in the directors' report on page 3. The outstanding loan balance is included in the above table under *Amounts due to group undertakings*.

9. SHARE CAPITAL

	2021 £	2020 £
Authorised: 1 ordinary share of £1 each	<u>1</u>	<u>1</u>
Issued: 1 ordinary share of £1	<u>1</u>	<u>1</u>

10. ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking is The Common Purpose Charitable Trust, a company limited by guarantee, registered in England and Wales under company number 2832875 and registered charity number 1023384. The Common Purpose Charitable Trust head the smallest and largest group for which consolidated accounts are prepared. Consolidated financial statements for the Common Purpose Charitable Trust are available at www.charitycommission.org.uk.