

THE COMMON PURPOSE CHARITABLE TRUST
(A company limited by guarantee)
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2000

Company registered number: 2832875
Charity registered number: 1023384



THE COMMON PURPOSE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2000

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THE COMMON PURPOSE CHARITABLE TRUST

LEGAL AND ADMINISTRATION

YEAR ENDED 31ST JULY 2000

TRUSTEES

David Bell
Richard Charkin
Judy Kelly (Chair)
Julia Middleton
Jane Newell

REGISTERED OFFICE

35 St. Thomas Street
London, SE1 9SN

AUDITORS

Hays Allan
Chartered Accountants
Southampton House
317 High Holborn
London WC1V 7NL

BANKERS

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

GOVERNING DOCUMENT

Memorandum and Articles of Association

THE COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES

YEAR ENDED 31ST JULY 2000

The trustees submit their report together with the audited financial statements for the year ended 31st July 2000.

The Common Purpose Charitable Trust (the "Trust") is limited by guarantee and has dispensation from the relevant authorities to omit 'Limited' from its name.

Aims of the Trust

The Trust's objects are 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 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 provided always that nothing contained herein shall authorise or be deemed to authorise the carrying on of any activity for any purposes save those regarded as charitable by the laws of England and Wales.

Re-structuring of the Trust

On August 1st 1998 given the growth in Common Purpose development work internationally, a re-structuring of the Trust came into effect. From that date the ownership of the trademarks and know-how was split away from the operating function within the UK. Ownership of the trademarks and know-how remained with the Trust whilst the operating business was transferred over to a newly incorporated subsidiary, Common Purpose UK (also a company limited by guarantee with charitable status) which operates under licence from the Trust. The re-structuring aimed to safeguard the ownership of the intellectual property whilst enabling the operating body in the UK to become a sister entity of the other national bodies running Common Purpose as they emerge.

Civilia Foundation, a company limited by guarantee registered in England under company number 3207453, and with charitable status, was incorporated in 1996 alongside the Trust, with the responsibility for developing and licensing *Common Purpose* activities outside of the UK. On August 1st 1998, as part of the restructuring described above and in order to protect the use of the trademarks and know how outside of the UK, Civilia Foundation became a subsidiary of the Trust. The Trustees anticipate that Civilia Foundation will remain a subsidiary of the Trust for the medium term and until such time as the activities in the UK no longer dominate. Looking to the future the trustees hope that the Trust will merge with Civilia Foundation into one entity which will licence all Common Purpose activities to a series of sister entities in Europe and elsewhere.

Given the restructuring described above and the fact that the Trust was divested of its operating business on August 1st 1998, the Trust has minimal activity on which to report for the year ended 31st July 2000. The trustees feel it appropriate instead to give the following highlights of the activities of the subsidiaries, Common Purpose UK and Civilia Foundation. For more detailed reports, please see the financial statements of the Common Purpose UK and the Civilia Foundation.

REVIEW OF PROGRESS AND FINANCIAL ACTIVITIES

Common Purpose UK

We continue to run Matrix and Focus programmes across the UK. With 34 Matrix, 14 Focus, we have 1,270 participants currently on the programmes and 10,000 graduates. We continue to put significant efforts into improving the curriculum and techniques used and have put particular effort into research and staff development to deal with issues of diversity on the programmes. We have also through the years analysed our work with graduates and developed a strategy which will be delivered over the next two years.

We have extended our activities with young people in schools. We now run Your Turn programmes in 14 cities and have also developed a workshop for whole year groups. This has now been piloted successfully and will be delivered widely in the coming year.

We have extended the Navigator pilot for fast trackers in their mid to late twenties, to run now in Belfast and Edinburgh as well as London. Navigator is likely to expand considerably in coming years.

THE COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31ST JULY 2000

REVIEW OF PROGRESS AND FINANCIAL ACTIVITIES (continued)

Common Purpose UK

We have completed the development of our Internet activities so that we will now use the web as well as programmes to inspire and connect citizens. CitizensConnection.net will be launched in October 2000 and will be followed by YourTurn.net for young people.

We have invested in the organisation by doubling our reserves, they continue to be at a low level but over the next few years we expect to achieve a credible level. We have produced a system on our Extranet to record the non-financial indicators of the organisation.

Civilia Foundation

Over the year we have expanded our activities in the Irish Republic where development work for the launch of Your Turn was completed. We also began to build on the success of the Hannover programme in Germany and look to the next startup. Early development work was undertaken in Berlin and Frankfurt with a view to one startup in 2001. We completed the development work in South Africa and by the end of the year have sufficient support to proceed with creating a South Africa company and starting a programme. We continued to support the programme in Orebro, Sweden. We also began development work in Holland, investigating a number of potential startups and deciding to proceed in Amsterdam, aiming for a programme in 2001.

RESULTS FOR THE YEAR

The net movement in unrestricted funds for the year ended 31st July 2000 was £83,966 (1999: £33,016). The net movement in restricted funds for the year was a deficit of £281,832 (1999: surplus £347,545). Details of the results for the year are given in the Consolidated Statement of Financial Activities on page 6.

The policy of the Trustees is to build up a level of reserves over the next 3-5 years which would enable the Group to meet ongoing liabilities in the event of serious interruption to income or even closure. As at 31st July 2000 that level is estimated to be around £800,000.

BOARD OF TRUSTEES

Trustees, who are also directors, are as follows:

Judy Kelly (Chair)
Jane Newell
Richard Charkin
David Bell
Julia Middleton

THE COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31ST JULY 2000

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

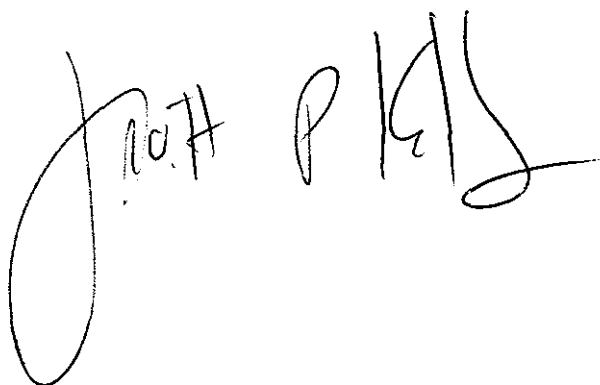
The Trustees are responsible for ensuring proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The Company's auditors Hays Allan, have indicated their willingness to continue in office and offer themselves for re-appointment at the next Annual General Meeting.

By order of the Board of Trustees on 14th December 2000.

Trustee

A large, stylized handwritten signature in black ink, appearing to be 'J. H. P. H. S.', written over the 'Trustee' label.

**AUDITORS' REPORT TO THE TRUSTEES OF
THE COMMON PURPOSE CHARITABLE TRUST**

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of trustees and auditors

As described on page 4 the trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of the Act.

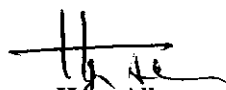
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgement made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Trust's and group's affairs as at 31st July 2000 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Hays Allan
Chartered Accountants
Registered Auditors**

**Southampton House
317 High Holborn
London
WC1V 7NL**

14th December 2000

THE COMMON PURPOSE CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST JULY 2000

	Note	Unrestricted Funds £	Restricted funds £	Total funds 2000 £	Total funds 1999 £
Incoming resources					
Tuition fees		3,048,941	-	3,048,941	3,067,262
Local sponsors		579,227	-	579,227	557,333
Project sponsors		215,200	828,342	1,043,542	1,034,999
Bank interest		23,498	-	23,498	11,632
Other income		72,604	-	72,604	15,000
Donated goods and services		345,623	-	345,623	370,179
Net income of trading subsidiary	4	2,400	-	2,400	7,938
Total incoming resources		4,287,493	828,342	5,115,835	5,064,343
Resources expended					
Direct charitable expenditure:					
	6				
Programmes		(3,277,277)	(1,105,174)	(4,382,451)	(3,659,204)
Support costs		(907,576)	(5,000)	(912,576)	(1,011,235)
		(4,184,853)	(1,110,174)	(5,295,027)	(4,670,439)
Other expenditure					
Management and administration of the group	6	(18,674)	-	(18,674)	(13,343)
Total resources expended		(4,203,527)	(1,110,174)	(5,313,701)	(4,683,782)
Net movement in funds	2	83,966	(281,832)	(197,866)	380,561
Fund balances brought forward at 1st August 1999		(21,749)	366,545	344,796	44,322
Funds acquired upon acquisition of Civilia Foundation		-	-	-	(80,087)
Fund balances carried forward at 31st July 2000		£62,217	£84,713	£146,930	£344,796

- 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
CONSOLIDATED BALANCE SHEET
AS AT 31ST JULY 2000

	Note	£	2000	£	£	1999	£
FIXED ASSETS							
Tangible fixed assets	7			168,353			101,081
CURRENT ASSETS							
Debtors	8	1,239,040			882,242		
Cash at bank and in hand		289,723			385,208		
		<u>1,528,763</u>			<u>1,267,450</u>		
CREDITORS: amounts falling due within one year	9	<u>(507,552)</u>			<u>(324,139)</u>		
				1,021,211			943,311
DEFERRED INCOME				(1,042,634)			(699,596)
NET ASSETS				<u>£146,930</u>			<u>£344,796</u>
FUNDS							
Unrestricted general fund				62,217			(21,749)
Restricted				84,713			366,545
				<u>£146,930</u>			<u>£344,796</u>

Approved by the Board of Trustees on 14th December 2000 and signed on their behalf by:

Trustee

Trustee

[Handwritten signature: J. H. P. K. L.]
[Handwritten signature: J. M. D. L.]

THE COMMON PURPOSE CHARITABLE TRUST

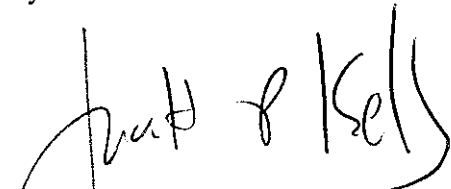
BALANCE SHEET (TRUST ONLY)

AS AT 31ST JULY 2000

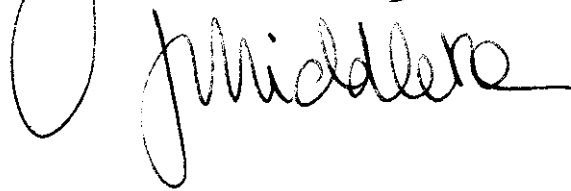
	Note	2000 £	1999 £
CURRENT ASSETS			
Debtors	8	46,721	52,260
Cash		(19,080)	-
CREDITORS: amounts falling due within one year			
	9	-	(16,121)
NET ASSETS		<u>£27,641</u>	<u>£36,139</u>
FUNDS			
Unrestricted general fund		27,641	31,639
Restricted		-	4,500
		<u>£27,641</u>	<u>£36,139</u>

Approved by the trustees on 14th December 2000 and signed on their behalf by:

Trustee



Trustee



THE COMMON PURPOSE CHARITABLE TRUST
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31ST JULY 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	11	42,281	344,405
Returns on investments and servicing of finance			
Interest received		23,498	11,632
Capital expenditure			
Payment to acquire tangible fixed assets		(161,264)	(49,031)
(Decrease)/increase in cash		<u>£(95,485)</u>	<u>£307,006</u>

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2000

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost basis in accordance with the Statement of Recommended Practice (Accounting by Charities), and with applicable accounting standards.

(b) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Restricted funds are funds subject to specific restricted conditions imposed by the donors.

(c) Incoming resources

Incoming resources represents the total income receivable during the year comprising, tuition fees, local sponsors, project sponsors, bank interest and other income.

(d) Resources expended

The costs of programmes and of administration comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a cost basis.

Central overheads are allocated to operation and fundraising functions on the basis of their use of central support services with the aim of ensuring that those costs remaining within administration relate to the management of the charity's assets, organisation administration and compliance with constitutional and statutory requirements.

(e) Depreciation

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

Leasehold improvements	20% straight line
Fixtures and fittings	25% straight line
Office equipment	25% straight line
Computer equipment and database software	33% straight line

(f) Recognition of programme income and expenditure

Income and expenditure related to individual programmes is matched; any surplus on a programme is recognised in the accounting period in which it arises. Programme deficits are recognised as soon as anticipated.

Income received in an accounting period relating to programmes which have not yet commenced or which have started but not yet concluded, is deferred to be matched against future costs.

(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, Civilia Ltd and The Civilia Foundation up to 31st July 2000. No statement of financial activities is presented for The Common Purpose Charitable Trust as provided by Section 230 of the Companies Act 1985.

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST JULY 2000

2. NET MOVEMENT IN FUNDS – Group and Trust	2000	1999
	£	£
The net movement in funds is arrived at after charging:		
Depreciation	93,992	113,112
Auditors' remuneration	4,600	4,900
Operating lease rentals	65,667	17,534
	<u> </u>	<u> </u>
3. STAFF NUMBERS AND EMOLUMENTS- Group and Trust	Number	Number
The average number of persons employed by the group during the year was:		
Programmes	92	92
Other	45	32
	<u> </u>	<u> </u>
	137	124
	<u> </u>	<u> </u>
Staff costs	£	£
Wages and salaries	3,194,557	2,705,866
Social security costs	299,685	243,912
	<u> </u>	<u> </u>
	£3,494,242	£2,949,778
	<u> </u>	<u> </u>
The number of employees whose emoluments for the year fell within the following bands were:	Number	Number
£40,000 - £49,999	1	2
£50,000 - £59,999	1	-
£60,000 - £69,999	1	1
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1
	<u> </u>	<u> </u>
	4	4
	<u> </u>	<u> </u>
4. RESULTS FROM TRADING ACTIVITIES OF SUBSIDIARY		
Civilia Limited is a wholly owned subsidiary which is incorporated in the UK.		
Civilia Limited manages the licensing arrangements and the provision of services to the non-UK licensees. The company covenants its taxable profits to The Common Purpose Charitable Trust.		
PROFIT AND LOSS ACCOUNT	2000	1999
	£	£
Turnover	2,475	9,849
Administration expenses	(75)	(1,911)
	<u> </u>	<u> </u>
Profit for the year	2,400	7,938
Deed of covenant	(2,400)	(7,938)
	<u> </u>	<u> </u>
Retained profit for the year	£ -	£ -
	<u> </u>	<u> </u>

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST JULY 2000

5. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

Group and Trust

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

Julia Middleton, Trustee, received a salary payment from the subsidiary, Common Purpose UK in her role as Chief Executive of that subsidiary. The payment was unrelated to her role as Trustee of the Trust.

6. ANALYSIS OF RESOURCES EXPENDED

Group and Trust	Staff costs £	Other £	Depreciation £	Total £
Direct Charitable expenditure:				
Programmes	2,808,697	1,525,569	48,185	4,382,451
Support costs	671,798	194,971	45,807	912,576
	<u>3,480,495</u>	<u>1,720,540</u>	<u>93,992</u>	<u>5,295,027</u>
Other expenditure:				
Management and administration of the Group	13,747	4,927	-	18,674
	<u>£3,494,242</u>	<u>£1,725,467</u>	<u>£93,992</u>	<u>£5,313,701</u>

7. TANGIBLE FIXED ASSETS – GROUP AND TRUST

	Leasehold improvements £	Fixtures and fittings £	Total
COST			
At 31st July 1999	-	564,530	564,530
Additions	122,855	38,409	161,264
	<u>122,855</u>	<u>602,939</u>	<u>725,794</u>
At 31st July 2000			
DEPRECIATION			
At 31st July 1999	-	463,449	463,449
Charge for year	13,576	80,416	93,992
	<u>13,576</u>	<u>543,865</u>	<u>557,441</u>
At 31st July 2000			
NET BOOK VALUE			
At 31st July 2000	<u>£109,279</u>	<u>£59,074</u>	<u>£168,353</u>
At 31st July 1999	<u>£ -</u>	<u>£101,081</u>	<u>£101,081</u>

All the fixed assets are used for direct charitable activities.

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST JULY 2000

8. DEBTORS	Group		Trust	
	2000 £	1999 £	2000 £	1999 £
Accrued income	350,537	147,924	-	-
Prepayments	27,867	22,705	-	-
Prepaid marketing material	28,984	15,823	-	-
Other debtors: tuition fees and sponsorship income	831,652	695,790	-	-
Amounts due from other group undertakings	-	-	46,721	52,260
	<u>£1,239,040</u>	<u>£882,242</u>	<u>£46,721</u>	<u>£52,260</u>
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Sundry creditors and accruals	366,324	102,178	-	-
Other taxes and social security	141,228	221,961	-	-
Amounts due to other group undertakings	-	-	-	16,121
	<u>£507,552</u>	<u>£324,139</u>	<u>£ -</u>	<u>£16,121</u>
10. DEFERRED INCOME				
Programmes straddling year end	496,605	261,273	-	-
Programmes due to commence in subsequent year	546,029	438,323	-	-
	<u>£1,042,634</u>	<u>£699,596</u>	<u>£ -</u>	<u>£ -</u>
11. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES- Group and Trust			2000 £	1999 £
Net movement in funds			(197,866)	300,474
Interest received			(23,498)	(11,632)
Depreciation			93,992	113,112
Increase in debtors			(356,798)	(15,615)
Increase/(decrease) in creditors			526,451	(41,934)
Net cash inflow from operating activities			<u>£42,281</u>	<u>£344,405</u>
12. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR – Group and Trust			Movement In year £	2000 £
Cash at bank and in hand	1999 £			
	<u>£385,208</u>		<u>£(95,485)</u>	<u>£289,723</u>

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST JULY 2000

13. MOVEMENT ON FUNDS- Group and Trust	Balance at 31st July 1999 £	Incoming Resources £	Outgoing Resources £	Balance at 31st July 2000 £
Restricted funds				
National Lottery Charities Board - Development of Your Turn	21,268	101,436	(132,460)	(9,756)
Millennium Festival Development of YourTurn.net	5,682	114,472	(120,154)	-
NMEC – Citizensconnection.net	335,095	548,848	(803,081)	80,862
Millennium Commission - Bursary scheme for Community Entrepreneurs	-	63,586	(49,979)	13,607
Bursary funds for disabled participants	4,500	-	(4,500)	-
	<u>£366,545</u>	<u>£828,342</u>	<u>£(1,110,174)</u>	<u>£84,713</u>
 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS – Group and Trust		Restricted funds £	Unrestricted Funds £	Funds £
Fixed assets		6,937	161,416	168,353
Current assets		191,977	1,336,786	1,528,763
Current liabilities		(114,201)	(1,435,985)	(1,550,186)
		<u>£84,713</u>	<u>£62,217</u>	<u>£146,930</u>

15. OPERATING LEASE COMMITMENTS

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

Within:	Land and buildings £	Other £
1 – 2 years	-	224
2 – 5 years	43,200	4,860