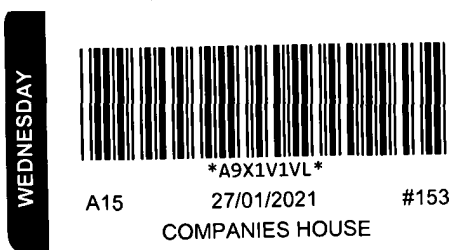




**COMMON PURPOSE UK**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2020**

Company registered number: 3556983  
Charity registered number: 1023384-1  
Scottish charity registered number: SCO41166



**COMMON PURPOSE UK**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2020**

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## **COMMON PURPOSE UK**

### **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 JULY 2020**

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The trustees of Common Purpose UK ("CPUK" or the "Charity") are pleased to present their annual report together with the audited financial statements for the year ended 31 July 2020, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102).

#### **1. OBJECTIVES AND AIMS**

*The charitable objective of CPUK is the advancement of education for the public benefit. Its governing document describes its charitable objects as:*

*"the advancement of education for the public benefit and in particular but without prejudice to the generality of the foregoing to educate people 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'.

CPUK was established as a charity in 1989 and is registered with the Charity Commission in England and Wales under the registered Charity number 1023384 and with the Office of Scottish Charity Regulator under number SC041166.

#### **Ethos and vision**

CPUK is a not-for-profit leadership development organization specializing in leadership development.

We run leadership development programmes in cities across the UK for senior and emerging leaders. Our programmes are experiential and we 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, leaders have a far more sustained impact. We convene leaders from across all sectors and from all backgrounds, so that they learn to cross boundaries and see how diversity brings fresh perspectives and sparks innovation.

CPUK is totally committed to ensuring that our programmes are open to all and not simply to those who can pay fees. Ability to pay is not part of the application process and each programme maintains a bursary fund for people who are unable to meet the full fee.

For more details, visit our website: [www.commonpurpose.org/uk](http://www.commonpurpose.org/uk)

**COMMON PURPOSE UK****REPORT OF THE TRUSTEES****YEAR ENDED 31 JULY 2020****2. ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

At the heart of all we do is our purpose i.e. we 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 programme, we ran Meridian for senior leaders, and streetwise for emerging leaders. This year, we also introduced Legacy programmes for young leaders, which focus on preparing future leaders for a milestone event in a city, such as Newcastle150. In 2032, Newcastle will celebrate 150 years with formal city status, and we are working with young people who in twelve years' time will be the city's leaders.

The main financial strategy as in previous years was to achieve a surplus to help build the CPCT group general reserves at year-end.

Our non-financial goals for 2019/20 were to:

- deliver excellent participant and buyer impact
- raise our profile in our cities to attract new customers
- produce 1100 participants on our 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 we could continue to offer an open programme in our territory.

**Open programmes**

In 2019/20, we ran 13 open programmes in seven cities in England, Northern Ireland and Scotland with 624 participants, in comparison to the 17 programmes we ran 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.

Diversity on our programmes continues to be important for us. We provided a significant level of bursary support for those applicants who genuinely cannot afford full fees. CPUK provides most of the bursaries but we also receive some sponsorship for bursary places. Our ability to provide bursaries is also made possible thanks to support in-kind for venues and catering which keeps our costs down and for which we are very grateful. We gratefully acknowledge Baillie Gifford and Teesside Community Foundation for providing bursary support for programmes in Scotland and the North East.

**2019/20 – Programme Numbers**

Meridian	11
Streetwise mba	2
Total	13

**2018/19 – Programme Numbers**

Meridian	13
Streetwise mba	4
Total	17

Number of full bursary places offered by industry sector

	2019/20	2018/19
Not for profit	59	50
Private sector	30	42
Public sector	12	22
Other	4	9
<b>TOTAL</b>	<b>105</b>	<b>123</b>

## COMMON PURPOSE UK

### REPORT OF THE TRUSTEES

#### YEAR ENDED 31 JULY 2020

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##### **Customised programmes**

We 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. We 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.

##### **Place-based Legacy programmes**

We delivered the first Legacy programme in the UK – Newcastle150 – in March and launched UK101, a UK-wide digital only Legacy programme.

##### **Student work**

At the end of 2018/19, we took the decision to hand over the responsibility for selling and delivering university student programmes to the Common Purpose Student Experience (CPSE) team. This reason for this was to consolidate student work in one part of the group with the most expertise and experience, and to allow the Charity to focus on its core work in open programmes. We continued to support the CPSE team on curriculum and secured a contract with the North East LEP that included student programme delivery.

##### **Customer experience**

Until this year, our main measure of customer satisfaction was the programme day KPI score; we asked our participants to tell us whether the programme was good value for their time, rating their response on a scale of 1-6 (6 being excellent value for time and 1 being very poor). We will continue to use our value-for-time KPI as an immediate indicator of how programmes are doing but we are going to put more emphasis ahead on participant impact and learning outcomes, because we believe this is a more meaningful measure of the value our programmes bring to participants. It also captures aspects of the programme over which we have control, whereas our value-for-time metric can be skewed by events outside the control of the Charity, such as bad weather, which may affect a participant's ability to attend.

Our target for participant impact and learning outcomes is 5.0 out of a score range of 6.0 (highly impactful) to 1.0 (not at all impactful). Our scores out of 6 to March are: 4.97, 5.12, 4.71 and 5.52.

We measured immediate participant impact on our post-March digital programme delivery by asking two questions:

- *Would you recommend this session?* 80% said agree/strongly agree
- *As a learning experience, how effective was this session?* 78% said very/extremely effective

In addition, we have introduced a Net Promoter Score for buyers. For our autumn 2019 programmes, our score was 48 against a target of 50.

##### **Impact of COVID-19**

Until mid-March and the introduction of measures to address Covid-19 across the UK, CPUK was on track to achieve its annual target. Revenue was 14% below budget and costs were 11% below budget immediately prior to the point at which the second series of open programmes was due to start invoicing.

Our final face-to-face programme of 2019/20 was the inaugural UK Legacy programme in Newcastle that took place on 10-12 March with 100+ young people. We introduced significant checks and balances before and during the programme to ensure participant, contributor and staff team safety. However, on 11 March, two private sector sponsors withdrew their participants in line with their global policies regarding external engagement. We therefore concluded that we could not start any further face-to-face programmes and had to cancel six in total.

We moved immediately to digital delivery of the programmes that started in March, thereby retaining most of the income as well as giving our participants, our buyers, and ourselves confidence that we could deliver great things online.

## COMMON PURPOSE UK

### REPORT OF THE TRUSTEES

#### YEAR ENDED 31 JULY 2020

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##### External communications

We invested heavily in staying close to participants, customers and alumni and using that intelligence to guide our decision-making. Our PR focus in the first six months had focused on our 30 Year Celebrations - we ran alumni events in all our programmes cities attracting 500+ alumni. From March onwards, we increased our social and PR/media activity to support brand awareness, focus on our social purpose and help drive sales. This included:

- A social media campaign to promote UK101, the free online Legacy programme for young leaders from across the UK
- A series of #TalkLeadership events to demonstrate to buyers how interactive and participative our digital offer is.
- A weekly #TalkLeadership hour on twitter
- Running a series of UK alumni events

##### Placed-based Legacy programmes

As we anticipated, there is renewed interest in our place-based Legacy programmes for young people given that the pandemic has disproportionately affected them in terms of jobs and education prospects. On that basis, we were able to confirm sponsorship for Legacy programmes in Leeds, Bradford and Sheffield. Place-based Legacy programmes will become an important part of our product portfolio in 2020/21.

##### Staffing

We made the decision to ask staff not to return to offices in the UK until September at the earliest and moved all client meetings to online or phone. We had stress-tested our systems a few weeks prior to the government lockdown to make sure that we could handle this. We also took advantage of the UK Government's Coronavirus Job Retention Scheme (CJRS) to furlough nine members of staff.

### 3. PLANS FOR 2020/21

Our primary goal 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 experience are 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 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 in the group's trading subsidiary. The Charity will become dormant once existing contracts run out. Further details are provided below in paragraph 7 on page 6.

**COMMON PURPOSE UK****REPORT OF THE TRUSTEES****YEAR ENDED 31 JULY 2020**

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**4. REVIEW OF FINANCIAL ACTIVITIES**

The net movement in unrestricted funds for the year ended 31 July 2020 was a loss of £104,894 (2018/19: loss of £17,666). Total income fell by 18% over 2018/19. Income from open programme course fees fell by 36% as the spring series of face-to-face programmes was cancelled. Income from the new online programmes (£28,100) only partially offset this reduction. Income from Student programmes fell by 70% over 2018/19 because the Charity transferred these programmes to another CPCT business unit, Common Purpose Student Experiences. Related costs were either transferred or eliminated, saving the Charity £123,868 in costs. The Charity's customised work held up well despite the challenging conditions after March 2020, falling only 3% over the previous year.

The net movement in restricted funds for the year was reduction of £152 (2018/19: nil). The Charity once again did not receive any restricted grant funding. The Charity benefited from the UK government's Coronavirus Job Retention Scheme by receiving £62,481 of furlough payments. The Statement of Financial Activities on page 12 contains details of the results for the year.

**Donated goods and services**

During the year, expenditure in CPUK was kept to a minimum through the receipt of significant support received locally and nationally. Generous in-kind support was received from contributors who act as advisors, speakers and hosts on the course days. Such contribution enables CPUK to run the high quality and range of courses currently in operation as well as enabling CPUK to offer bursary and part bursary places on those courses. During 2019/20, donated goods and services amounted to £345,975 compared with £538,799 in 2018/19. This reduction reflects the fact that fewer face-to-face programmes were run, and the Charity vacated donated office space as lockdown began.

**Income from charitable activities**

Our courses continue to be funded through a combination of tuition fees, bursaries and sponsorship. These sources covered direct costs incurred locally. Before making remittances to group for support services and licence fee, the Charity made a surplus of £286,573.

**Expenditure**

Total expenditure in 2019/20 amounted to £1,694,846 including donated goods and services, compared with £1,965,431 in 2018/19. The reduction in expenditure was mainly due to salary cost savings from furlough and senior management salary sacrifice, together with lower programme and travel costs.

**Intercompany guarantee**

The Charity has an intercompany credit balance with Common Purpose Student Experiences Ltd (another subsidiary within the group of £120,629. In light of CPUK's negative reserve balance, the parent company, CPCT, has provided a guarantee for the full sum in relation to amounts owed from CPUK to CPSE in the event that CPUK cannot repay the amounts concerned in full.

**5. RESERVES POLICY**

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

The reserves currently stand at negative £201,708.

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

The negative reserve position is the result of losses in the Charity over a number of years. However, a major cost to the Charity is remittances to group, principally its share of the cost of central services. The trustees have therefore determined to review the business's position within the group. More details are set out in paragraph 7 following, Business Re-organization.

## **COMMON PURPOSE UK**

### **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 JULY 2020**

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#### **6. IMPACT OF COVID-19**

The trustees have approved these accounts at a time when the economic uncertainty because of the coronavirus, COVID-19 continues. With the introduction of related virus control measures across the world since early March 2020, and in common with most other organisations, the Charity was forced to curtail its activities for the last five months of the financial year. Face-to-face programmes were suspended pending the outcome of the government's lockdown strategy. All the Charity's programmes will run online until the UK government relaxes the restrictions related to the pandemic.

The Charity took advantage of the UK government's Coronavirus Job Retention Scheme to furlough 10 staff members, and likewise ask members of the senior management team to take a reduction in salary. These two measures will both help the Charity to maintain employment of its staff and save money for the period during which they apply. Staff remained on furlough until 31 October 2020. With the extension to the CJRS to 31 March 2021, management is considering whether to utilize it further in the coming months.

In November 2020 the trustees formally reviewed an updated 12 month cash flow forecast. On the basis of the assumptions made by management this showed the Charity remaining cash flow positive throughout the period to November 2021. The activities of the Charity are expected to move to a different entity within the group (see paragraph following), after which the Charity will become dormant.

The trustees recognize, however, that given the current situation relating to COVID-19 any forecast of future activity levels and thus cash flow is inherently uncertain. The key uncertainty is the extent to which uncontracted income will be realised while the COVID-19 restrictions apply. To protect this income, we continue to stay very close to our clients, many of whom have chosen to defer, rather than cancel, programmes. Nevertheless, the Charity expects to see a reduced level of activity and revenue in 2020/21. This is expected to apply across all our programmes.

#### **7. BUSINESS RE-ORGANIZATION**

The trustees of the Charity and the Charity's parent, CPCT, have been involved since July 2020 in a review of the business and organizational structure of the group. They have agreed that during the first quarter of calendar 2021, the Charity's business should move from Common Purpose UK to the group's trading subsidiary, Common Purpose Global Customised Ltd (CPGC). The purpose of the business restructure is to:

- create a better alignment between our business model and the corporate structure needed to achieve it, particularly in light of the impact of COVID-19 on our business
- 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 activity of the Charity, running open and customised programmes in the UK, will not change but will instead be part of a larger team with a stronger support network for delivery. The trustees expect to see similar or larger revenue with a lower cost base as resources are shared between different teams within CPGC. The Charity itself will become dormant once all contracted delivery has taken place, and it is expected that the Charity will be closed down after July 2021.

The trustees believe that the Charity's underlying business is fundamentally strong and management's ongoing relationships with key clients are extremely robust.

The Charity has no investments or other assets that have been significantly impaired as a result of COVID-19. However, the Charity's reserves are unlikely to recover significantly before the proposed business re-structure. The Trustees will be reviewing and updating the Charity'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.



## COMMON PURPOSE UK

### REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2020

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#### 7. REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1023384  
Company number: 3556983  
Scottish charity registered number: SCO41166

Registered office: Monmouth House  
38-40 Artillery Lane, London E1 7LS

#### 8. ADVISORS

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

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

#### 9. TRUSTEES AND DIRECTORS

Letitia Corinna Andrewartha  
Eamonn John Boylan (resigned 21 April 2020)  
Amanda Elizabeth Bromley  
Alison Leona Layne-Smith  
Gordon Merrylees  
David Robinson (Chair)  
Simon Russell

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

Chief Executive Officer: Marie Mohan

#### 10. STRUCTURE, GOVERNANCE AND MANAGEMENT

Common Purpose UK is a subsidiary of The Common Purpose Charitable Trust. It has one wholly owned subsidiary, Common Purpose Customised Limited (CPCL), a trading company that delivers customised courses to UK clients. CPCL is currently dormant and the trustees intend to strike the company off in 2020/21.

##### **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 board 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 training and induction of trustees**

All trustees are offered an induction, which is tailored to suit their individual requirements. Each new Trustee receives an information pack that informs them of their role, the management structure and the policies and systems in place. New trustees are 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 Charity's Articles of Association, and the Charity has maintained throughout the year Directors' and Officers' liability insurance for the benefit of the Charity, the trustees and its officers. CPUK trustees are covered under the parent entity's insurance policies in respect of:

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

## COMMON PURPOSE UK

### REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2020

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#### **Organisational structure and decision-making**

The trustees of CPUK 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 in the implementation of the strategic objectives of the Charity.

The aggregate emoluments of the key management personnel were £295,434 (2018/19: £331,349). The salaries of senior management are benchmarked against average management salaries for the sector. The reduction in cost reflects the salary cut that management agreed to take during the height of the COVID-19 crisis.

In each local area in which CPUK 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.

#### **Risk review statement and principal risks and uncertainties**

The trustees have established an annual risk assessment process that identifies the major foreseeable risks faced by the Charity, assesses their likelihood and impact, and recommends implementing measures to mitigate these risks. The key risk that emerged from the COVID-19 pandemic was business interruption to the Charity's ability to run its programmes face-to-face. The Charity's response was to move programmes online. This has proved successful and has demonstrated the effectiveness of the risk mitigation strategies.

The ability of the Charity to continue to operate is dependent upon identifying and securing income and support from participants, organisations and to a lesser extent, sponsorship from potential supporters of leadership development. The principal risk is that a shortfall in such income could lead to losses in the Charity. A further risk is that the recovery by the group of central overhead costs eliminates the Charity's profits. This has led the trustees to review the organization's future as part of the wider business re-organization (see note 7 above) in order to reduce its share of overhead cost and hence return the business to profitability.

#### **Statement of trustees' responsibilities**

The trustees, who are also the directors of CPUK for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**COMMON PURPOSE UK**

**REPORT OF THE TRUSTEES**

**YEAR ENDED 31 JULY 2020**

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In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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.

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

By order of the Board of Trustees on 23 November 2020

DocuSigned by:

*David Robinson*

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Trustee

David Robinson

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **COMMON PURPOSE UK**

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#### **Opinion**

We have audited the financial statements of Common Purpose UK for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 July 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Basis for opinion**

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

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

#### **Conclusions relating to going concern**

Without modifying our opinion, we draw attention to Note 1(f) on pages 15 and 16 of the financial statements which discloses the premise upon which the company has prepared its financial statements on a non-going concern basis.

#### **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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMON PURPOSE UK**

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

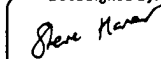
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charity Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



DB8AB2B244C845B...  
20 January 2021

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

10 Queen Street Place  
London  
EC4R 1AG

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

		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	Note	£	£	2020 £	£	£	2019 £
<b>Income from:</b>							
Donated goods and services		345,975	0	345,975	538,799	0	538,799
<i>Charitable Activities</i>							
Fees from open programmes		833,617	0	833,617	996,158	0	996,158
Fees from student programmes		63,487	0	63,487	213,387	0	213,387
Fees from customised programmes		20,750	0	20,750	31,000	0	31,000
Grants and bursaries		115,770	0	115,770	0	0	0
Cost recoveries from related entities		144,043	0	144,043	149,051		149,051
Bank interest		0	0	0	0	0	0
Other income		66,309	0	66,309	19,370	0	19,370
<b>Total</b>		<b>1,589,951</b>	<b>0</b>	<b>1,589,951</b>	<b>1,947,765</b>	<b>0</b>	<b>1,947,765</b>
<b>Expenditure on:</b>							
<i>Charitable Activities</i>							
Open programmes		(1,293,483)	0	(1,293,483)	(1,432,830)	0	(1,432,830)
Student programmes		(85,306)	0	(85,306)	(297,663)	0	(297,663)
Customised programmes		(119,654)	(152)	(119,806)	(27,020)	0	(27,020)
Cost recovered by related entities		(196,249)	0	(196,249)	(207,918)	0	(207,918)
<b>Total</b>	5	<b>(1,694,693)</b>	<b>(152)</b>	<b>(1,694,845)</b>	<b>(1,965,431)</b>	<b>0</b>	<b>(1,965,431)</b>
<b>Net (expenditure)</b>	2	<b>(104,742)</b>	<b>(152)</b>	<b>(104,894)</b>	<b>(17,666)</b>	<b>0</b>	<b>(17,666)</b>
Fund balances brought forward as at 1 August		(96,966)	152	(96,814)	(79,300)	152	(79,148)
<b>Fund balances carried forward As at 31 July</b>		<b>(201,708)</b>	<b>0</b>	<b>(201,708)</b>	<b>(96,966)</b>	<b>152</b>	<b>(96,814)</b>

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

## COMMON PURPOSE UK

Company Registered Number 3556983

## BALANCE SHEET

AS AT 31 JULY 2020

	Note	2020	2019
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	6	20,964	22,562
Investment		0	0
<b>Current assets</b>			
Debtors	7	170,537	288,207
Loans to group undertakings		0	0
Cash at bank and in hand		36,360	110,778
		206,897	398,985
Creditors: amounts falling due within one year	8	(429,569)	(518,362)
<b>Net current liabilities</b>		(222,672)	(119,377)
<b>Net liabilities</b>		(201,708)	(96,815)
<b>RESERVES</b>			
Restricted funds	9	0	152
Deficit on unrestricted funds		(201,708)	(96,966)
		(201,708)	(96,814)

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

The financial statements were approved and authorised for issue by the board of trustees on 23 November 2020 and were signed below on its behalf by:

DocuSigned by:

*David Robinson*

648943CF9F9348E.....

Trustee

David Robinson

**COMMON PURPOSE UK****Company Registered Number 3556983****CASH FLOW STATEMENT****AS AT 31 JULY 2020**

	£	£	£	£
<b>Net cash used in operating activities</b>	<b>10</b>	<b>(60,488)</b>		<b>37,278</b>
Cash flows from investing activities:				
Dividends, interest and rents from investments	-	-	-	-
Purchase of fixed assets	(13,930)		-	
Net cash (used in) investing activities		<u>(13,930)</u>		<u>-</u>
Change in cash and cash equivalents in the year		(74,418)		37,278
Cash and cash equivalents at the beginning of the year		110,778		73,500
<b>Cash and cash equivalents at the end of the year</b>		<u><u>36,360</u></u>		<u><u>110,778</u></u>



## **COMMON PURPOSE UK**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 JULY 2020**

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#### **1. ACCOUNTING POLICIES**

##### **(a) Basis of accounting**

Common Purpose UK is a charitable company limited by guarantee. Further details are shown on page 1.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), section 1A. The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP – Second Edition, effective 1 January 2019), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

##### **(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) Income**

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

Income and expenditure related to individual 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.

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

##### **(d) 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 5b to the accounts.

##### **(e) Consolidation**

The charitable Company has taken advantage of the exemptions given by Section 400 of the Companies Act 2006 and by FRS102 not to prepare consolidated financial statements on the grounds that the Charity and its subsidiary are consolidated within the financial statements of the ultimate parent company, Common Purpose Charitable Trust, a company incorporated in England and Wales.

##### **(f) Going concern**

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered financial forecasts and projections. After making enquiries the trustees have concluded that the Charity only has adequate resources to continue in

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

operational existence for the foreseeable future with the continued support of its parent (The Common Purpose Charitable Trust). CPCT has reiterated its ongoing support for the continued operations of Charity through an undertaking to meet the liabilities disclosed in the statutory accounts of CPUK as and when required and as they fall due to the extent that money is not otherwise available.

As explained in note 7 of the trustees' report, the Charity intends to transfer its trade, assets and liabilities to a fellow subsidiary company early in 2021 and will therefore cease trading. As required by UK accounting standards, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments are expected to arise as a result of ceasing to apply the going concern basis of accounting. All assets and liabilities will be transferred to the fellow subsidiary at their carrying amount. Fixed assets continue to be carried at net book value on the basis that the assets will continue to be used by the fellow subsidiary on transfer of the activities. On this basis, the net book value is considered to be equivalent to the fair value of the assets concerned.

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

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**(g) 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
Computer equipment	33% straight line

**(h) Leased assets**

Payments under operating leases are charged to the Statement of Financial Activities as the payments fall due.

**2. NET MOVEMENT IN FUNDS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The net movement in funds is arrived at after charging:		
Depreciation	14,794	10,965
Auditors' remuneration	14,243	7,173

**COMMON PURPOSE UK****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2020****3. STAFF NUMBERS AND EMOLUMENTS**

	<b>2020 Number</b>	<b>2019 Number</b>
The average number of persons employed by the Company during the year was:		
Courses	19	19
Support staff	0	1
	<u>19</u>	<u>20</u>
<b>Staff costs</b>	<b>£</b>	<b>£</b>
Wages and salaries	660,074	786,915
Social security costs	66,952	79,168
Pension	16,462	15,160
	<u>743,488</u>	<u>881,243</u>
The number of employees whose emoluments for the year fell within the following bands:	<b>Number</b>	<b>Number</b>
£60,000 - £69,999	1	1
£70,000 - £79,999	0	1
£80,000 - £89,999	1	0
£90,000 - £99,999	0	0
£100,000 - £109,999	0	0
	<u>2</u>	<u>2</u>
Aggregate emoluments of the Senior Management Team	<b>£</b>	<b>£</b>
Salary	257,414	291,438
Social security costs	30,503	34,302
Pension	7,519	5,611
	<u>295,435</u>	<u>331,350</u>

One termination payment for £7,666.67 was made during the year.

**4. TRANSACTIONS WITH TRUSTEES**

No emoluments were paid to trustees during the year (2018/19: nil). No expenses were reimbursed to trustees (2018/19: £252.95).

**COMMON PURPOSE UK****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2020****5a. ANALYSIS OF EXPENDITURE**

	2020			2019		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	£	£	£	£	£	£
Open programmes	988,019	305,465	1,293,484	1,147,358	285,472	1,432,830
Student Programmes	65,160	20,145	85,306	238,358	59,305	297,663
Customised programmes	91,513	28,293	119,806	21,637	5,383	27,020
Expenditure incurred in respect of group related entities*	149,904	46,345	196,249	166,493	41,425	207,918
	1,294,597	400,248	1,694,845	1,573,846	391,585	1,965,431

**5b. ANALYSIS OF SUPPORT COSTS**

	2020				2019			
	Central support costs	Licence fee	Governance	Total	Central support costs	Licence fee	Governance	Total
	£	£		£	£	£		£
Open programmes	240,404	54,154	10,907	305,465	218,705	61,538	5,229	285,472
Student Programmes	15,855	3,571	719	20,145	45,435	12,784	1,086	59,305
Customised programmes	22,267	5,016	1,010	28,293	4,124	1,160	99	5,383
Expenditure incurred in respect of group related entities*	36,474	8,216	1,655	46,345	31,736	8,930	759	41,425
	315,000	70,957	14,291	400,248	300,000	84,412	7,173	391,585

\* Central support costs consist of costs incurred by central or group functions in support of the Charity. These include services for HR, Marketing and Finance.

**COMMON PURPOSE UK****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2020****6. TANGIBLE FIXED ASSETS**

	<b>Leasehold Improvements £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 August 2020	133,814	1,261,681	1,395,496
Disposal	0	0	0
Additions	0	13,930	13,930
At 31 July 2020	133,814	1,275,611	1,409,425
<b>DEPRECIATION</b>			
At 1 August 2020	133,814	1,239,120	1,372,934
Disposal	0	0	0
Charge for year	0	15,527	15,527
At 31 July 2020	133,814	1,254,647	1,388,461
<b>NET BOOK VALUE</b>			
At 31 July 2020	0	20,964	20,964

All the fixed assets are used for direct charitable activities.

**7. DEBTORS**

	<b>2020 £</b>	<b>2019 £</b>
Tuition fees and sponsorship income	105,498	116,875
Prepaid marketing and printing stocks	617	799
Amounts due from group companies:		
- Common Purpose Customised Limited	0	13,088
- Common Purpose Charitable Trust	0	0
- Common Purpose Global Customised	29,844	18,857
- Common Purpose International	463	917
- Common Purpose Student Experiences	0	6,207
Prepayments and accruals	34,115	131,464
	<b>170,537</b>	<b>288,207</b>

**COMMON PURPOSE UK****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2020****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Sundry creditors and accruals	33,181	68,460
Other taxes and social security	73,409	76,512
Amounts due to group companies:		
- Common Purpose Customised Limited	0	1,648
- Common Purpose Charitable Trust	141,818	0
- Common Purpose Global Customised	0	212,437
- Common Purpose Student Experiences	120,629	0
Deferred income	63,838	156,503
Other creditors	(3,306)	4,450
	<u>429,569</u>	<u>520,010</u>

Deferred income relates to invoices raised in respect of courses that are due to commence after 31 July 2020. The brought forward deferred income has been released into the current year's Statement of Financial Activities.

**9. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

2020	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed assets	0	20,964	20,964
Current assets	0	206,897	206,897
Current liabilities	0	(429,569)	(429,569)
	<u>0</u>	<u>(201,708)</u>	<u>(201,708)</u>
2019	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed assets	0	22,562	22,562
Current assets	152	398,834	398,986
Current liabilities	0	(518,363)	(518,363)
	<u>152</u>	<u>(96,967)</u>	<u>(96,815)</u>

**COMMON PURPOSE UK****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2020****10. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2020	2019
	£	£
<b>Net (expenditure) / income for the reporting period (as per the statement of financial activities)</b>	(104,894)	(17,666)
Depreciation charges	15,528	10,945
Loss on disposal	-	-
Dividends, interest and rent from investments	-	-
Decrease in stocks	-	-
(Increase) Decrease in Debtors	117,670	(5,083)
Increase (Decrease) in Creditors	(88,792)	49,083
 <b>Net cash used in operating activities</b>	 <u>(60,488)</u>	 <u>37,278</u>

**11. OPERATING LEASE COMMITMENTS**

The Charity has no operating lease commitments.

**12. SHARE CAPITAL**

The Charity is limited by guarantee and has no share capital. The liability of the members is limited to the sum of £1 per member.

**13. RESTRICTED FUNDS**

The Charity received no restricted income during the year.

**14. PARENT UNDERTAKING**

The Charity's immediate and ultimate parent undertaking is The Common Purpose Charitable Trust (CPCT), a company registered in England, number 2832875 and a registered charity, number 1023384.

Consolidated financial statements for The Common Purpose Charitable Trust are available to the public from [www.charitycommission.org.uk](http://www.charitycommission.org.uk)

**15. RELATED UNDERTAKINGS**

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