



COMMON PURPOSE INTERNATIONAL
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

Charity registered number 1056573
Company registered number 3207453

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COMMON PURPOSE INTERNATIONAL
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

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COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2011

The Trustees of Common Purpose International ("Common Purpose" or the "Company") are pleased to present their annual report together with the audited financial statements for the year ended 31 July 2011, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005)

OBJECTIVES AND AIMS

The charitable objective of Common Purpose International is the advancement of education for the public benefit and the charitable objects are described in its governing document as

"the advancement of education for the public benefit and in particular but without prejudice to the generality of the foregoing to educate men and women and young people of school age, from a broad range of geographical, political, ethnic, institutional, social and economic backgrounds in constitutional, civic, economic and social studies with special emphasis on civil and social awareness and responsibility in the United Kingdom and elsewhere "

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'

It was established as a charity in 1996 and is registered with the Charity Commission under the Registered Charity number 1056573

Common Purpose International is an international not-for-profit educational organisation that has been running educational courses which mix people from the private, public and not-for-profit sectors for over 15 years. Our educational courses give people the inspiration, skills and connections to become better leaders both at work and in society.

Our aim is to help people, organisations, cities and regions to succeed by broadening the horizons of their leaders and developing their ability to work together to lead change.

Ethos & vision

Common Purpose creates a common educational experience within and across many countries, whilst remaining independent and non-aligned. We are always balanced and owe no historical or other allegiance to any other group. Our independence is reflected in our governance, finances, partnerships, behaviour and curriculum.

Common Purpose's vision is to give people the skills, connections and inspiration to become better leaders both at work and in society. Professional teams create innovative and ingenious ways of working to ensure that all Common Purpose activities are high quality, stimulating, imaginative and fun. The internationally recognised Chatham House Rule is respected on all courses as an aid to free discussion. We draw on the widest possible variety of sectors, areas, beliefs and social groups.

For more details visit our website: www.commonpurpose.org/about-us

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2011

2. SUMMARY OF THE MAIN OBJECTIVES FOR THE YEAR

During the year Common Purpose International has continued to provide support to the already established organisations which have yet to become fully self-sustaining. However, there was a significant reduction in activity during the year. This was largely because there was no development work in new countries undertaken by Common Purpose International.

Plans ahead

Common Purpose International will concentrate on two areas of work:

- Developing our work in universities for university students internationally. The Frontrunner course has been well received in four countries to date and we plan to double this number. Given the international mobility of university students this involves the co-ordination of our work, curriculum innovation and efforts to develop the alumni community.
- Development work in the Arab world where there is a great deal of interest in Common Purpose. This is due to our work in Libya, the development of the Itijah venture linking leaders in four European and four Arab countries, and the interest in our youth work. We hope that this will be the first time we start up in a new country by undertaking discreet projects over a period before a full start up when we license a local legal entity to run Common Purpose courses.

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2011

3. OVERVIEW OF THE FINANCIAL POSITION

Details of the results for the year are given in the statement of financial activities on page 8. The net movement in unrestricted funds for the year ended 31 July 2011 was a surplus of £21,326 (2010 £31,338).

4. RESERVES POLICY

During 2010/2011, Common Purpose International received £21,774 (2010 £20,000) income from Common Purpose Charitable Trust, which resulted in £14,510 accumulated general reserve position for the year. Common Purpose Charitable Trust was committed to support Common Purpose International to reduce its existing £6,816 general reserve deficit.

In future, Common Purpose International will manage its activities so as to cover its costs and as a result any increase in the reserves over the long term is expected to be minimal.

5. REFERENCE AND ADMINISTRATIVE DETAILS

Name of the charity

Common Purpose International

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

Charity Registration Number

1056573

Company Registration Number

3207453

Registered Office

Discovery House
28-42 Banner Street
London EC1Y 8QE8

ADVISORS

Auditor haysmacintyre, Fairfax House, 15 Fulwood Place, London, WC1V 6AY

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

COMMON PURPOSE INTERNATIONAL
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 JULY 2011

6. TRUSTEES AND DIRECTORS

Peter Kullo
John Inge (resigned 28/1/2011)
Miriam Mulcahy

All served throughout the year ended 31 July 2011, unless indicated otherwise

Chief Executive Officer

Alison Coburn

7. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and constitution

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

Organisational structure and decision making

The Company was established in 1996 alongside The Common Purpose Charitable Trust, which is a company limited by guarantee, registered in England and Wales under company number 2832875 ("CPCT"). Common Purpose International is a wholly owned subsidiary of the CPCT and Common Purpose Customised Limited (formerly Civilia Limited), a company registered in England, is a wholly owned subsidiary of Common Purpose International. Common Purpose Customised Limited is a trading company which manages the international licensing arrangements, the provision of services to licensees and delivers customised Common Purpose courses.

The Company is run by the Chief Executive, Alison Coburn, who reports to the board of Trustees. The board of Trustees meets quarterly. The strategic direction of the Company is set by the Trustees. The Company is exempt from holding annual general meetings.

Risk review statement

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

The ability of the Charity to continue to operate is dependant upon identifying and securing grants and sponsorship from potential sources of funding to fund the international development activities. In addition, the Company is dependant upon Common Purpose UK, a related charity, not to require repayment of the amounts due, or in the event that repayments are required, that the parent charity CPCT will provide the necessary facilities to enable the Charity to continue to operate and to meet its liabilities.

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2011

Statement of Trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group 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 company 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 the Group] and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

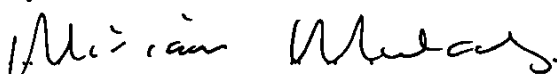
In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, 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
- any relevant audit information and to establish that the auditors are aware of that information

INDEPENDENT AUDITORS

A resolution reappointing haysmacintyre will be proposed at the AGM in accordance with S485 of the Companies Act 2006

By order of the Board of Trustees on 29 March 2012


Miriam Mulcahy
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMON PURPOSE INTERNATIONAL

We have audited the financial statements of Common Purpose International for the year ended 31 July 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2011 and of its incoming resources and application of resources, including its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMMON PURPOSE INTERNATIONAL (continued)**

Emphasis of Matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in note 1 to the financial statements concerning the charitable company's ability to continue as a going concern. The group made an unrestricted deficit of £517,377 and at this date group unrestricted funds were in surplus at £92,748. The group overdraft facility of £300,000 is being reduced to £200,000 and on renewal required cross guarantees of each of the group entities. The facility will be reviewed in July 2012 on which the group is reliant for the going concern basis to apply. These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty regarding the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group were unable to continue as a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime



Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre
Chartered Accountants and Statutory Auditors

17 April 2012

Fairfax House
15 Fulwood Place
London
WC1V 6AY

haysmacintyre is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

COMMON PURPOSE INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account)

YEAR ENDED 31 JULY 2011

| | Note | Unrestricted Funds 2011 £ | Total Funds 2011 £ | Total Funds 2010 £ |
|--|-------------|--|---------------------------------------|---------------------------------------|
| Incoming resources | | | | |
| <i>Incoming resources from charitable activities</i> | | | | |
| International Project income | | - | - | 12,750 |
| Income from Common Purpose Charitable Trust – | | 21,774 | 21,774 | 20,000 |
| Other | | 684 | 684 | - |
| Total incoming resources | | <u>22,458</u> | <u>22,458</u> | <u>32,750</u> |
| Resources expended | | | | |
| <i>Governance costs</i> | | 1,132 | 1,132 | 1,412 |
| Total resources expended | 3 | <u>1,132</u> | <u>1,132</u> | <u>1,412</u> |
| Net movement in funds | | 21,326 | 21,326 | 31,338 |
| Fund balances brought forward at 1 August 2010 | | (6,816) | (6,816) | (38,154) |
| Fund balances carried forward at 31 July 2011 | | <u>14,510</u> | <u>14,510</u> | <u>(6,816)</u> |

All transactions are derived from continuing operations

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

COMMON PURPOSE INTERNATIONAL

Company Registered Number 3207453

BALANCE SHEET

AS AT 31 JULY 2011

| | Notes | £ | 2011 | £ | £ | 2010 | £ |
|---|-------|-----------------|------|---------------|-----------------|----------------|---|
| FIXED ASSETS | | | | | | | |
| Investments | 4 | | | 1 | | | 1 |
| CURRENT ASSETS | | | | | | | |
| Debtors | 5 | 47,668 | | | 56,588 | | |
| Cash at bank and in hand | | 661 | | | 11 | | |
| | | <u>48,329</u> | | | <u>56,599</u> | | |
| CREDITORS: Amounts falling due within one year | | | | | | | |
| Creditors | 6 | <u>(33,820)</u> | | | <u>(63,416)</u> | | |
| NET CURRENT ASSETS/ (LIABILITIES) | | | | 14,509 | | (6,817) | |
| NET ASSETS/(LIABILITIES) | | | | <u>14,510</u> | | <u>(6,816)</u> | |
| FUNDS | | | | | | | |
| General fund | | | | 14,510 | | (6,816) | |
| Total funds | | | | <u>14,510</u> | | <u>(6,816)</u> | |

The financial statements were approved and authorised for issue by the Board of Trustees on 29 March 2012 and were signed below on its behalf by


Miriam Mulcahy

Trustee

COMMON PURPOSE INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES

Going concern

The financial statements are prepared on a going concern basis which the Trustees believe to be appropriate based on forecasts prepared to 30 April 2013. On the basis of the forecasts, the trustees consider that the group will be able to meet its debts as they fall due and that forecast costs can be managed within forecast income.

However the forecast cash flows do not contain a significant margin for error when compared to secure financing facilities, as disclosed in note 8, and inherently there can be no certainty in these matters, particularly taking into account the nature of the group's activities which give rise to unpredictable variations in the timing of income and cash flows.

Accounting basis

The financial statements are prepared under the historical cost basis and in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities* (revised 2010), with applicable accounting standards and the Companies Act 2006.

The financial statements have been prepared on a going concern basis assuming that the parent charity will continue to provide the necessary facilities to enable the Charity to continue to operate and to meet its liabilities.

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.

Incoming resources

Incoming resources represent the total income during the year comprising project income, service charges, income from CPCT and other income which are recognised on a receivable basis.

Resources expended

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

Direct costs of international project activities are charged to the expenditure heading of that name 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. More detail as to the method of their allocation is given in note 3b to the accounts.

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

Consolidation

The charitable Company has taken advantage of the exemption given by Section 400 of the Companies Act 2006 not to prepare consolidated financial statements on the grounds that the charitable Company 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.

COMMON PURPOSE INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2011**

1. ACCOUNTING POLICIES (continued)**Cash flow statement**

The company has taken advantage of the exemptions provided by FRS1 and not prepared a cash flow statement

2. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

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

**3a ANALYSIS OF RESOURCES
EXPENDED**

| | Direct Costs £ | Support Costs £ | Total 2011 £ | Total 2010 £ |
|------------------|-------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Governance costs | - | 1,132 | 1,132 | 1,412 |

3b ANALYSIS OF SUPPORT COSTS

| | Governance £ | Total 2011 £ |
|------------------------|-------------------------|-----------------------------|
| Finance and Audit cost | 1,132 | 1,132 |

4. INVESTMENTS

| | 2011 £ | 2010 £ |
|----------------------------------|-------------------|-------------------|
| Investment in trading subsidiary | 1 | 1 |

Common Purpose Customised Ltd (formerly known as Civilia Ltd), a company registered in England, is a wholly owned subsidiary of Common Purpose International and covenants its entire profits as computed for corporation tax purposes to its ultimate parent, The Common Purpose Charitable Trust

For the year ended 31 July 2011 Common Purpose Customised Ltd made an operating profit of £0, which was covenanted to The Common Purpose Charitable Trust. At 31 July 2011, the net assets of Common Purpose Customised Ltd were £1

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2011

| 4. INVESTMENTS – continued | 2011 £ | 2010 £ |
|---|-------------------|-------------------|
| A summary of results of the trading subsidiary is shown below | | |
| Profit and loss account | | |
| Turnover | 1,030,835 | 1,110,353 |
| Administrative expenses | (1,030,835) | (604,717) |
| Interest received | - | - |
| Profit | - | 505,636 |
| Amounts covenanted to The Common Purpose Charitable Trust | - | (505,636) |
| Profit retained in subsidiary | - | - |

Last year the increase in the Licence Fee and in customised work was achieved without increasing overall overhead expenditure by using the existing staff resources. However this year, to sustain this growth the administration expenses, which includes staff costs, have increased by £426,118 resulting in a break-even position for the year. The increase of £426,118 is mainly due to an increase in staff allocation from 14 to 25 from Common Purpose UK to provide services to the Common Purpose licencees and to support the development of customised work. Common Purpose UK is a related undertaking.

| | 2011 £ | 2010 £ |
|----------------------|-------------------|-------------------|
| Balance sheet | | |
| Fixed Assets | 21,723 | 24,032 |
| Cash In Bank | 439 | 234 |
| Debtors | 525,497 | 547,696 |
| Creditors | (547,658) | (571,961) |
| Net assets | 1 | 1 |
| Share capital | 1 | 1 |

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2011

| 5. DEBTORS | 2011 £ | 2010 £ |
|---|---------------|---------------|
| Trade debtors | - | 2,000 |
| Amount due from group undertaking (Common Purpose Customised Ltd and Common Purpose Charitable Trust) | 47,668 | 24,617 |
| Accrued Income and deferred expenses | - | 4,500 |
| Other debtors | - | 25,471 |
| | <u>47,668</u> | <u>56,588</u> |
| 6. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR | 2011 £ | 2010 £ |
| Amounts owed to related undertaking (Common Purpose UK) – see note (a) below | 16,300 | 53,116 |
| Amount due to group undertaking (Common Purpose Charitable Trust) | - | 1,300 |
| Other creditors | 17,520 | 9,000 |
| | <u>33,820</u> | <u>63,416</u> |

Note (a)

In 2008 a loan repayment schedule was agreed with Common Purpose UK to repay, over a three year period, £61,775 of the total amount due for the prior periods. Common Purpose Charitable Trust committed to provide equivalent funding to the company to enable these repayments to be made during financial year 2008/2009 to 2010/2011. At the end of 2010/11 the final repayment £21,775 was repaid to CPUK by the Common Purpose Charitable Trust.

7. ULTIMATE PARENT UNDERTAKING

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

Consolidated financial statements for The Common Purpose Charitable Trust are available to the public from Companies House, Crown Way and Cardiff, CF4 3UZ.

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2011

8. SUBSEQUENT EVENTS

The group had secured an overdraft of £300,000 which will be required to reduce to £200,000 in April 2012 with cross guarantees from each of the group entities and will be subject to review by the bank in July 2012, on which the group is reliant for the going concern basis to apply. The overdraft facility contains cross guarantees from all group entities. In addition a commitment by a relative of Management to provide an interest bearing loan of £300,000 up to July 2013 has been secured.

9. POST BALANCE SHEET EVENT

Post year end the group was restructured so that each organisation became a direct subsidiary of Common Purpose Charitable Trust.