

COMMON PURPOSE INTERNATIONAL (A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2018

Charity registered number: 1056573 Company registered number: 3207453



REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2018

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REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2018

The trustees of Common Purpose International ("the Company") are pleased to present their annual report together with the audited financial statements for the year ended 31 July 2018, 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 2015).

1. OBJECTIVES AND ACTIVITIES

The charitable objective of Common Purpose International 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 men and women and young people of school age, from a broad range of geographical, political, ethnic, institutional, social and economic backgrounds in constitutional, civic, economic and social studies with special emphasis on civil and social awareness and responsibility in the United Kingdom and elsewhere.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

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

Ethos and vision

Common Purpose International gives people from the private, public and not-for-profit sectors the inspiration, skills and connections to become better leaders, both at work and in society. The company focuses on offering leadership development to diasporas with the support of multi-lateral organizations and groups in Africa, the Middle East and the sub-continent.

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

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

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

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2018

2. ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Common Purpose International has focused during the year on the development and running of leadership programmes in Europe and the Middle East and for diaspora leaders around the world.

During 2017/18 our main priorities were to:

- continue to develop our diaspora leadership programmes
- · development, design and delivery of customized programmes.

To achieve this, we ran 10 programmes reaching a total of 281 participants. Highlights included our first international, intra-diaspora programme and the launch of a customized programme for leaders in the environmental sector.

Through attending our programmes many participants report that they are better equipped to contribute to their organization or community. On our Syrian Diaspora Programme, 100% of the participants felt they were better able to contribute to their organization, university or community. On the African Diaspora Programme that completed this year, 93% of the participants felt that the connections made through the programme would support their activities in Africa and in the diaspora community.

We ask all of 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). Our target is for 90%+ of participants to score our programmes as 5 or 6 – this is our customer experience Key Performance Indicator (KPI). In the 2017/18 year, CPI achieved an average KPI of 90% across the programmes we delivered.

The value of the free places offered on our programmes this year was £201,915. All our programmes fully funded by foundations, educational institutions or by donors so there is no cost to the participants. In 2018/19 we plan to focus on further developing and expanding our work with diaspora. Our priorities will be to:

- increase the number of the diaspora programmes run for specific diaspora communities
- launch a new series of intra diaspora programmes specifically aimed at young diaspora leaders
- build the evidence of impact of these programmes.

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2018

3. FINANCIAL REVIEW

Details of the results for the year are given in the statement of financial activities on page 9. The net movement for the year ended 31 July 2018 was a surplus of £148,453 in unrestricted funds and £39,006 in restricted funds (2016/17: surplus of £77,196 in unrestricted funds, deficit of £4,925 in restricted funds). The company increased its total reserves to £180,533, of which £141,527 was unrestricted and £39,006 restricted at year end (2016/17: reserves £93,074, all unrestricted). The continued improvement in the level of reserve therefore represents steady progress towards meeting the company's reserve objective of holding sufficient funds to cover its costs.

Income from charitable activities

In 2017/18 income totalled £466,277 (2016/17: £547,515). The Common Purpose Charitable Trust provided £240,954 of this income during the year (2016/17: £112,870), with a further £171,208 deferred to 2018/19 for programme delivery. This income was to support delivery of two significant projects. A further £170,205 of the company's income was for the delivery of another restricted fund programme (2016/17: £5,000).

Expenditure

Total expenditure in 2017/18 amounted to £378,818, split between expenditure on unrestricted programmes (£247,619) and restricted programmes (£131,199) (2016/17: total of £475,244, made up of unrestricted expenditure of £465,319 and restricted expenditure of £9,925).

4. RESERVES POLICY

Reserves are used to bridge the gap between the spending and receiving of income. A major concern of the trustees is to ensure that the Charity maintains adequate reserves throughout the year, given the irregular nature of its income and large costs for its international programmes. 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, a further buffer is retained to support future business development. The CPCT group approves the Group Reserves Policy annually and sets the target level of reserves.

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

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2018

Registered Office

Monmouth House 38 – 40 Artillery Lane London E1 7LS

Advisors

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

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

6. TRUSTEES AND DIRECTORS

Sir Graham Boyce (Chair, resigned 5 July 2018)
Peter Kulloi
Dr Rouba Mhaissen (appointed 14 September 2018)
Marjorie Ngwenya (appointed 23 August 2018)
Emma Shercliff
Albert Tucker (appointed as Chair 5 July 2018)

All served throughout the year ended 31 July 2018 unless otherwise indicated.

Chief Executive Officer

Alison Coburn

7. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and constitution

The governing documents of Common Purpose International are 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.

The Chief Executive, Alison Coburn, who reports to the board of trustees, runs the Company. The board of trustees meets quarterly and sets the strategic direction of the Company. The Company is exempt from holding annual general meetings.

Methods adopted for the recruitment and appointment of trustees

We encourage people interested in becoming trustees to apply on our website. When vacancies arise the nominations committee draws up criteria, considers applications, conducts interviews of

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2018

candidates and recommends appointments. Prospective trustees are briefed on the nature and work of the organization, invited to meet the board and the executive and, if the board approves, appointed at the next board meeting. Appointments are ratified at the following annual general meeting.

Policies and procedures for training and induction of 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.

Organizational structure and decision-making

The trustees of Common Purpose International meet quarterly to review the direction and performance of the organization. They set and agree the strategy to ensure that the organization meets its aims.

The Chief Executive is responsible for the leadership of the organization. The trustees review the progress in the implementation of the strategic objectives of the companies within the group and act to safeguard the organization's independence and brands.

Directors' insurance and indemnities

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

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

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 dependent upon identifying and securing grants and sponsorship from potential sources of funding to fund the international development activities.

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

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2018

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;
- 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.

By order of the Board of Trustees on 27 March 2019

Trustee Albert Tucker

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

COMMON PURPOSE INTERNATIONAL

Opinion

We have audited the financial statements of Common Purpose International for the year-ended 31 July 2018, which comprise the Statement of Financial Activities, the Balance Sheet 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 2018 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.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

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, 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. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant
 doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of
 at least twelve months from the date when the financial statements are authorised for issue.

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 INTERNATIONAL

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- · adequate accounting records have not been kept by the charitable company; 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. 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.

Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place London EC4R 1AG

30 April 2019

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

YEAR ENDED 31 JULY 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Income from:							
Charitable activities International Project income Income from Common Purpose Charitable Trust		55,118 240,954	170,205 0	225,323 240,954	429,645 112,870	5,000.00	1
Total		296,072	170,205	466,277	542,515	5,000	547,515
Expenditure on: Charitable Expenditure on International Projects		(247,619)	(131,199)	(378,818)		(9,925)	
Total resources expended	3	(247,619)	(131,199)	(378,818)	(465,319)	(9,925)	(475,244)
Net income/(expenditure) & net movement in funds		48,453	39,006	87,459	77,196	(4,925)	72,271
Fund balances brought forward as at 1 Aug		93,074	0	93,074	15,878	4,925	20,803
Fund balances carried forward as at 31 July		141,527	39,006	180,533	93,074	0	93,074

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

All transactions are derived from continuing activities.

BALANCE SHEET AS AT 31 JULY 2018

		31-Jul-18		31-Jul-17	
	Note	£	£	£	£
Current assets					
Debtors	4	111,820		115,927	
Accrued income		37,520		4,425	
Cash at bank and in hand		269,350		121,331	
		418,690	_	241,683	
Creditors: amounts falling due within one year					
Creditors	5	(238,157)	_	(148,609)	
Net current assets			180,533		93,074
Net assets			180,533		93,074
Funds					
General fund			141,527		93,074
Restricted income fund			39,006		(
Total funds			180,533		93,074

The financial statements were approved and authorized for issue by the Board of Trustees on 27 March 2019 and were signed below on its behalf by:

Trustee

Albert Tucker

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2018

1. ACCOUNTING POLICIES

(a) Basis of accounting

Common Purpose International 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), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

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 there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future and, therefore, the charitable company has adopted the going concern basis in preparing its financial statements.

The charitable company holds only basic financial instruments which are initially recognized 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 recognized in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

(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. Further details of the charity's restricted funds are provided in note 7 to the accounts.

(c) Income

Income represents the total income receivable during the year comprising tuition fees, sponsorship, bursaries, and other income.

Income and expenditure related to individual courses is matched and any surplus on a course is recognized in the accounting year in which it arises. Course deficits are recognized as soon as anticipated. Income is fully recognized on commencement of courses including those that

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2018

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.

(d) Expenditure

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

Direct costs are charged to charitable activities along with appropriate 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 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.

(e) Foreign currency translation

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

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 £
International Projects 2018	303,701	75,117	378,818
International Projects 2017	370,496	104,748	475,244

The aggregate emoluments including employer contributions of the key management personnel were £113,118 (2016/17: £109,245). The company does not employ any staff directly; all staff are seconded from The Common Purpose Charitable Trust.

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2018

3b. ANALYSIS OF SUPPORT COST

	Central Services £	Licence Fee £	Governance £	Total £
Support costs 2018	42,082	23,598	9,437	75:117
Support costs 2017	91,072	11,614	2,062	104,748

4. DEBTORS

	2018 £	2017 £
Amount due from parent undertaking (Common Purpose Charitable Trust)	0	30,157
Amount due from related undertaking (Common Purpose Global Customised Ltd)	79,320	66,899
Amount due from related undertaking (Common Purpose Student Experiences Ltd)	0	10
Trade debtors	32,500	18,861
	111,820	115,927

5. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2018 £	2017 £
Amount due from parent undertaking (Common Purpose Charitable Trust)	16,815	0
Amount due to related undertaking (Common Purpose UK)	17,785	7,109
Deferred income	171,208	
Other creditors	32,349	139,819
Other taxes and social security	0	1,681
	238,157	148,609

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2018

6. RESTRICTED FUNDS

Restricted income (£210,214) represents grants from the Asfari Foundation and the British Council Pakistan.

The restricted funds opening balance was nil.

2018	Brought forward	Income	Expenditure	Transfers/ gains	Carried forward
	£	£	£	£	£
Asfari Foundation	0.	83,290	64,984	0	18,306
British Council Pakistan	0	86,915	66,215	0	20,700
Totals	0	170,205	131,199	0	39,006
2017	Brought forward	Income	Expenditure	Transfers/ gains	Carried forward
	£	£	£	£	£
Unbound	4,925	0	4,925	0	0
The Phoenix Fund for Zimbabwe	0	5,000	5,000	0	0
Totals	4,925	5,000	9,925	0	0

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 www.charitycommission.org.uk.