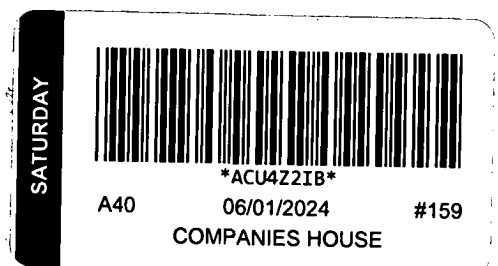




COMMON PURPOSE LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2023

Company registered number: 8613775



COMMON PURPOSE LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2023

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COMMON PURPOSE LIMITED

DIRECTORS AND COMPANY DETAILS

FOR THE YEAR ENDED 31 JULY 2023

DIRECTORS

David Grace (Chair)
Mark Linder
Vandana Saxena Poria
Janis Sanders (appointed 22 February 2023)
Emma Shercliff (resigned 25 May 2023)

CHIEF EXECUTIVE OFFICER

None for the period

REGISTERED OFFICE

Monmouth House
38 – 40 Artillery Lane
London E1 7LS

ADVISORS

Auditors: Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Bankers: National Westminster, 250 Regent Street, London W1B 3BN

COMMON PURPOSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023

The directors of the company are pleased to present their report together with the audited financial statements of the company for the reporting year ended 31 July 2023.

Activities

Common Purpose Limited ("the company" and "CPL") is a subsidiary of The Common Purpose Charitable Trust ("CPCT"). The company has three areas of activity within the wider group: issuing licences to companies to sell and deliver Common Purpose programmes, a business unit focused on UK open and customised programmes and a business unit concentrating on customised work with our largest global clients, together with our flagship open programme, the Global Leaders Programme.

1. Licences

The company manages the licensing arrangements with Common Purpose licensees, which in 2022/23 included Common Purpose Asia Pacific Ltd and Common Purpose Student Experiences Ltd, together with Common Purpose licensees operating in Germany, Hong Kong, Hungary, Ireland, India, South Africa, Turkey and the United States. Common Purpose Asia Pacific Ltd and Common Purpose Student Experiences Ltd are direct subsidiaries of Common Purpose Charitable Trust, which is the company's ultimate parent company.

Two UK-based licensees, Common Purpose UK and Common Purpose International, are no longer trading and were dissolved in October 2023. Common Purpose Hungary remains dormant and did not trade during the period.

During the year the company began the process of acquiring the shares of two of its licensees:

1. Common Purpose Hong Kong Ltd (CPHK). The purchase of shares in CPHK was completed on 4 August 2022 and it is now a fully owned subsidiary of CPL. The consideration was HK\$2.00.
2. Civilia India Educational Programmes Pvt Ltd (CIEP). It is the company's intention to buy the shares in CIEP at such time as conditions are right. This is expected to be during the 2023/24 financial year.

In addition to these two acquisitions, the company set up a new subsidiary, Common Purpose Evolve Careers Limited (CPEC) on 6 July 2023. This new company was formed to take over a new initiative being developed in Common Purpose Student Experiences Ltd around providing on-demand learning to students transitioning into the world of work.

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

2. UK programmes

The UK business unit (UKBU) runs open programmes in the UK (The Common Purpose Programme, (TCPP) and customized work).

3. Partnerships and Growth (P&G)

This team was set up in 2021 and is responsible for sales of customised work and delivery to key global clients. This team is responsible for the group's largest customized programmes and major partnership initiatives.

Objectives for the year

The key objectives for 2022/23 were:

- to build on the success of 2021/22 and continue to make CPL a key engine of growth for Common Purpose
- to build on the already established and key relationships in other parts of the organization to grow customised work globally, with a particular focus on new markets in the Middle East and South Asia
- to continue to grow the UK business by expanding the reach and success of the key open programme, TCCP as well as provide organisational solutions work for corporates
- to keep up with market trends in the company's sectors and align IT systems and processes internally and externally

COMMON PURPOSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023

- to deliver genuine digital transformation and enhance the online experience for our staff, customers, participants and the alumni community.

Review of activities

a) UK Business Unit (UKBU)

The Common Purpose Programme (TCPP) is a core element of the UKBU work. Initially a fully online programme, from March 2023 this became a blended programme (i.e. delivered real-time online and in-person) with two distinct cohorts, one for high potential leaders, the other for established senior leaders. We ran programmes for both cohorts twice a year, in the autumn and spring, and in three different geographies: London, Midlands and the South-West; the Northern Powerhouse; and Scotland and Northern Ireland.

TCPP programmes in 2022/23 involved 528 participants, in comparison to 522 participants on programmes in 2021/22. As part of our investment in developing the pipeline of under-represented leaders, full bursary places were given to 67 participants, with a particular emphasis on Black, Asian and Minority Ethnic participants. Most of these places are funded by Common Purpose itself but we would also like to thank Baillie Gifford and Creative Scotland for their ongoing support of bursary places in Scotland, Community First Yorkshire for its help in Yorkshire and Lloyds Banking Group.

Legacy programmes for young leaders continued to be an important part of the UKBU portfolio and in 2022/23 six programmes were delivered in six locations – Newcastle, Sunderland, Leeds, Birmingham, Bristol and Greater Manchester. This involved 293 young people aged 18-25. With the support of our local sponsors, we were able to offer programme places free-of-charge to all young people in those locations.

The Bitesize product, which gives buyers a cost-effective way of testing our approach, continued to be very popular and provides an effective entry point for organizations into the wider customized offer. The UKBU also delivered customized programmes for a range of clients including PwC, The University of Edinburgh, Argyll, RSM, Glasgow Life, the Royal Pharmaceutical Society of Great Britain and Westminster City Council.

During 2022/23 the UK Business Unit also took over running Common Purpose's flagship international global leadership programme, January.

b) Partnerships & Growth (P&G)

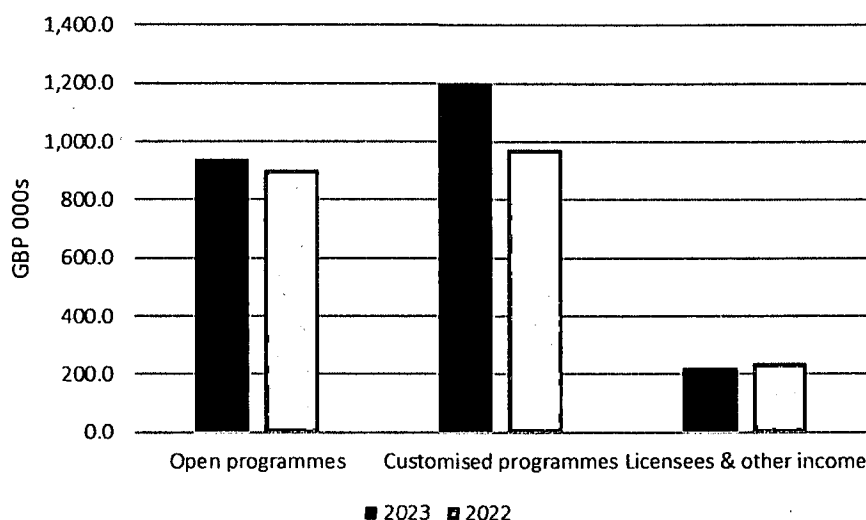
The P&G business unit is responsible for delivering customized programmes for large commercial organizations. In 2022/23, it ran programmes for four major international corporates. Programmes were mostly delivered in person at the request of clients, and were run in London, New York and Mumbai, with some online activity as well.

c) IT and Support

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

Results for the year

The company made a profit in 2022/23 of £146.7k (2021/22: loss of £7.9k). The company's turnover increased to £2,367.9k from £2,117.4k in 2021/22. Licence fee income fell by 8% reflecting lower revenues from three major licensees. Salary costs were 10% lower in 2022/23 than the previous year but delivery costs increased by over 60% reflecting the scale of the return to in-person delivery. The split in turnover between the three operating business units is shown below:

COMMON PURPOSE LIMITED**DIRECTORS' REPORT****FOR THE YEAR ENDED 31 JULY 2023**

- Income from open programmes was £942.3k (2021/22: £903.5k)
- Income from customised courses rose to £1,204.7k (2021/22: £974.4k)
- Income from licensees of Common Purpose and from other sources fell to £220.9k (2021/22: £239.4k)

The salary cost to the company fell to £836k from £924k in 2021/22 as some natural attrition occurred and leavers were not immediately replaced. The company's cost of delivering programmes increased to £662k from £404k in 2021/22. This cost is made up of programme delivery costs such as venue hire and staff travel (£166.5k compared to £66.8k in 2020/21) and the cost of using staff from the Common Purpose central delivery team (£495k compared to £337k in 2021/22).

Overhead costs fell by 25% to £153k from £190.9k following less reliance on outside consultants to help deliver programmes.

The company gifted £305k of its profits to the parent company, CPCT, during the year.

Plans ahead for 2023/24

The company's plans for the coming year are:

- to maintain CPL as the engine of growth for Common Purpose by continuing to deliver large global programmes to its major corporate clients
- to support the rapid development and deployment of a new offering based on the transition from education to work through a new subsidiary, CPEC
- to build on the company's presence in Africa with targeted development of key markets in east and west Africa. This will include running the Africa Venture programme (formerly run by the South African licensee) and tapping into corporate opportunities in Tanzania, Kenya and Nigeria
- to continue to grow the UK business by expanding the reach and success of the key open programme, TCCP as well as organizational solutions work with corporates
- to continue to develop and enhance the company's IT systems and processes internally and externally to help provide a robust, secure and future-proof environment
- to continue with digital transformation and enhanced online experience for our staff, customers, participants and the alumni community.

Going concern

The company maintained positive cash flows throughout 2022/23. The directors regularly review cash flow forecasts for the company looking up to 12 months ahead. In November 2023, the trustees considered a 12-month cash flow forecast based on the assumptions made by management. The cash flow forecast showed the company remaining cash flow positive throughout the period to December 2024. In making this

COMMON PURPOSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023

assessment, the directors have not identified any material uncertainties. On this basis, the directors have concluded that the going concern basis remains appropriate.

The directors recognize that any forecast of future activity levels and thus cash flow is inherently uncertain. They believe, however, that the company remains financially sustainable and will remain a going concern for at least the next twelve months from the date of approval of these accounts. This is due to the strength of the company's underlying business, management's ongoing relationships with key clients, the strength of the market for UK open programmes, and the actions being taken to mitigate expected reduced activity levels

Governing document and constitution

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

Methods adopted for the recruitment and appointment of directors

When board vacancies arise, the directors identify any skills or experience needs of the board. They utilize existing networks of suitably qualified people to approach potential directors to serve. Prospective directors are briefed on the nature and work of the organization, invited to meet the board and the executive and, if the board approves, appointed at the next board meeting. Appointments are ratified at the following annual general meeting.

Policies and procedures for training and induction of directors

All directors are offered an induction, which is tailored to suit their individual requirements. Each new director receives an information pack that informs them of their role, the management structure and the policies and systems in place. New directors are encouraged to attend a course day to see Common Purpose in action, as well as participating in other Common Purpose events that run throughout the year.

Organizational structure and decision-making

The company does not have a Chief Executive Officer. Responsibility for the company is shared between the group's Finance Director (for licensees), Marie Mohan (UK Director, and formerly CEO of CPM) and the group's Chief Executive Officer, Adirupa Sengupta for major clients.

Directors' insurance and indemnities

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

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

Risk review statement

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

The ability of the company to continue to operate is dependent upon identifying and securing income and support from companies and from the continued successful operation of licensees. The principal risk is that a shortfall in such income could lead to losses in the company. This has been addressed by a close focus on managing costs and a strong focus on sales strategy to appropriate clients. The company has also continued to develop and refine its product offering based on market response and feedback from key stakeholders. In 2022/23, this meant delivering a mix of online and in-person programmes, and ensuring clients were offered a high quality and meaningful experience that supported their wish for leadership development in their staff.

COMMON PURPOSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023

Directors' responsibilities statement

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

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

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

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

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

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

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

Approved by the directors on 15 December 2023 and signed on their behalf by

DocuSigned by:

E7AF27979AC74DA...
David Grace
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

COMMON PURPOSE LIMITED

Opinion

We have audited the financial statements of Common Purpose Limited (the 'company') for the year ended 31 July 2023 which comprise the Profit and Loss account, 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 company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

COMMON PURPOSE LIMITED

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

COMMON PURPOSE LIMITED

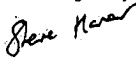
The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

DocuSigned by:



DB8AB2B244C8458

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

10 Queen Street Place
London
EC4AR 1AG

Date: 19 December 2023

COMMON PURPOSE LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JULY 2023**

	Note	2023	2022
		£000s	£000s
Turnover			
Open programmes		942.3	903.5
Customised programmes		1,204.7	974.4
Licensees		164.4	178.8
Other income		56.5	60.7
Total turnover		2,367.9	2,117.4
Administrative expenses	4		
Salaries		(838.0)	(924.4)
Programme costs		(662.8)	(404.0)
Overhead and central recoveries		(720.4)	(796.9)
Total administrative expenses		(2,221.2)	(2,125.3)
Profit / (loss) on ordinary activities before taxation		146.7	(7.9)
Profit / (Loss)		146.7	(7.9)

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

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

The notes on pages 13 – 18 form part of these financial statements

COMMON PURPOSE LIMITED

Company registered number 8613775

BALANCE SHEET**AS AT 31 JULY 2023**

		2023		2022	
	Note	£000s	£000s	£000s	£000s
Fixed assets					
Intangible fixed assets	6		9.9		6.4
Tangible fixed Assets	6a		31.6		33.0
Current assets					
Debtors and accrued income	7	960.4		929.8	
Cash at bank and in hand		15.8		13.8	
		<u>976.2</u>		<u>943.6</u>	
Creditors: amounts falling due within one year	8	(847.4)		(631.9)	
Deferred income		(89.7)		(116.0)	
Accrued expense		<u>(12.5)</u>		<u>(9.0)</u>	
		(949.6)		(756.9)	
Net current assets			<u>26.6</u>		<u>186.7</u>
Total assets less current liabilities			<u>68.1</u>		<u>226.1</u>
Net assets			<u><u>68.1</u></u>		<u><u>226.1</u></u>
Capital and reserves					
Retained earnings			68.1		226.1
Issued share capital	9		<u>0.0</u>		<u>0.0</u>
			<u><u>68.1</u></u>		<u><u>226.1</u></u>

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

The company has issued share capital of £1.00.

The financial statements were approved and authorized for issue by the Board of Directors on 15 December 2023 and were signed below on its behalf by:

DocuSigned by:


 E7AF27979AC74DA...
 David Grace
 Director

COMMON PURPOSE LIMITED**Company registered number 8613775****STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31 JULY 2023**

	Called up share capital	Profit and loss account	Total equity
At 31 July 2022	1	226,055	226,056
Comprehensive income for the period			
Profit for the period	<u>0</u>	<u>146,674</u>	<u>146,674</u>
Distribution to parent charity	<u></u>	<u>(304,623)</u>	<u>(304,623)</u>
At 31 July 2023	1	68,106	68,107

COMMON PURPOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2023**

1. ENTITY STATUS

Common Purpose Limited is a private company limited by guarantee, registered in England and Wales under number 8613775. Its registered office address is shown on page 1. It has two subsidiaries, Common Purpose Hong Kong Ltd acquired on 4 August 2022 and Common Purpose Evolve Careers, which began trading on 1 August 2023.

2. ACCOUNTING POLICIES**Accounting basis**

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

Common Purpose Limited has not prepared group financial statements on the basis that Common Purpose Limited and its subsidiary undertakings are included in the group accounts of the ultimate parent undertaking, Common Purpose Charitable Trust. These financial statements therefore exclude the result of the company's subsidiaries.

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

Revenue

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

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

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.

Going concern

The accounts are prepared on a going concern basis which assumes that the company will continue in business for the foreseeable future and, in assessing the company's viability as going concern, the directors have had regard to a minimum period of 12 months from the date of approval of the accounts. The company maintained positive cash flows throughout 2022/23. The directors regularly review cash flow forecasts for the company looking up to 12 months ahead. In December 2023, the trustees considered a 12-month cash flow forecast based on the assumptions made by management. The cash flow forecast showed the company remaining cash flow positive throughout the period to December 2024. The directors believe therefore that the company has sufficient resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The directors confirm they have not identified any material uncertainties in adopting the going concern basis of accounting.

COMMON PURPOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2023

COMMON PURPOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2023****Depreciation and amortisation**

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

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

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

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

Foreign currency translation

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

Intangible fixed assets and amortisation

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

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

Software costs	33% straight line
Trademarks	20% straight line

3. EMPLOYEE COSTS

The company did not directly employ staff during year or during the previous year (2021/22). Employee costs are incurred by the company's parent, CPCT, and recharged to the company. The directors did not receive any remuneration during the current or previous year.

4. ADMINISTRATIVE EXPENSES

The company utilizes shared administrative support from its parent company, CPCT. The amounts paid for this are shown in the Profit and Loss statement under Overhead and Central Recoveries.

5. NET MOVEMENT IN FUNDS

The net movement in funds is arrived at after charging:

	2023	2022
	£000s	£000s
Depreciation and amortisation	22.6	42.5
Auditors' remuneration	9.8	5.2

COMMON PURPOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2023****6. INTANGIBLE FIXED ASSETS**

	Trademarks £000s	Software Cost £000s	Total £000s
COST			
At 1 August 2022	8.2	4.8	13.0
Additions	<u>0.0</u>	<u>5.8</u>	<u>5.8</u>
At 31 July 2023	<u>8.2</u>	<u>10.6</u>	<u>18.8</u>
AMORTISATION			
At 1 August 2022	3.8	0.8	4.5
Charge for year	<u>0.8</u>	<u>3.5</u>	<u>4.3</u>
At 31 July 2023	<u>4.6</u>	<u>4.3</u>	<u>8.9</u>
NET BOOK VALUE			
At 31 July 2023	<u><u>3.6</u></u>	<u><u>6.3</u></u>	<u><u>9.9</u></u>
At 31 July 2022	4.4	4.0	8.4

COMMON PURPOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2023****6a. TANGIBLE FIXED ASSETS**

	Hardware Cost £000s	Total £000s
COST		
At 1 August 2022	94.9	94.9
Additions	<u>18.9</u>	<u>18.9</u>
At 31 July 2023	<u>113.8</u>	<u>113.8</u>
DEPRECIATION		
At 1 August 2022	63.9	63.9
Charge for year	<u>18.3</u>	<u>18.3</u>
At 31 July 2023	<u>82.2</u>	<u>82.2</u>
NET BOOK VALUE		
At 31 July 2023	<u><u>31.6</u></u>	<u><u>31.6</u></u>
At 31 July 2022	33.0	33.0

7. DEBTORS

	2023 £000s	2022 £000s
Trade debtors	362.8	508.9
Accrued income	149.5	112.5
Amounts due from group undertakings	448.1	308.4
	<u><u>960.4</u></u>	<u><u>929.8</u></u>

COMMON PURPOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2023****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£000s	£000s
Trade creditors	101.8	48.7
Amounts due to group undertakings	769.2	545.6
Other taxes and social security	(23.6)	37.6
	<u>847.4</u>	<u>631.9</u>

9. SHARE CAPITAL

The company has issued share capital of £1.00, held by CPCT.

	2023	2022
	£	£
Authorised: 1 ordinary share of £1 each	<u>1</u>	<u>1</u>
Issued: 1 ordinary share of £1	<u>1</u>	<u>1</u>

10. ULTIMATE PARENT UNDERTAKING

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

11. RELATED PARTIES

During the year, the company entered into a number of transactions with other group companies. These transactions were to pay the salaries of staff engaged from other group entities. All such transactions are eliminated on consolidation in The Common Purpose Charitable Trust.

There were no related party transactions in the current year.

12. SUBSIDIARY

At 31 July 2023 Common Purpose Limited had two subsidiaries, Common Purpose Hong Kong Ltd and Common Purpose Evolve Careers. As set out in note 2 to the financial statements, the results of the subsidiary undertakings are excluded from these financial statements on the basis that Common

COMMON PURPOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2023**

Purpose Limited and its subsidiaries are consolidated in the accounts of the ultimate parent undertaking, Common Purpose Charitable Trust.

Common Purpose Limited has taken the exemptions available from disclosing transactions with other members of the Common Purpose Charitable Trust group. There were no transactions which require disclosure in the current or previous financial year.

The income, expenditure, assets and liabilities of the subsidiaries are as follows:

Common Purpose Hong Kong Ltd

	Common Purpose Hong Kong Ltd	
	2023	2022
	GBP	HKD
Profit and loss account	£000s	£000s
Turnover	344.9	34.5
Administrative expenses	(996.1)	(99.5)
Retained (loss) / profit	(651.2)	(65.1)
Balance sheet		
Fixed assets	27.1	2.7
Current assets	312.2	31.2
Current liabilities	(647.1)	(64.7)
Total equity	(307.8)	(30.8)

Common Purpose Evolve Careers was incorporated on 6 July 2023 and began trading on 1 August 2023. It had no transactions prior to this date.