



COMMON PURPOSE INTERNATIONAL
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2019

Charity registered number: 1056573
Company registered number: 3207453

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COMMON PURPOSE INTERNATIONAL
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2019

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COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2019

The trustees of Common Purpose International ("the Charity") 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 Charity 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

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2019

2. ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Common Purpose International has focused during the year on the development and running of diaspora leadership programmes

During 2018/19, our main priorities were to:

- continue to develop our diaspora leadership programmes
- launch our first intra-diaspora programme for young and emerging leaders
- development of customized programmes.

To achieve this, we ran four programmes reaching 168 participants. Highlights included our first international, intra-diaspora programme and a programme for Syrian, Palestinian and Lebanese civil society leaders.

Many participants report that, because of the programmes, they are better equipped to have an impact as a leader in their country of heritage and/or in the diaspora community. 91% of the participants on the Syrian Diaspora Leaders Programme felt they were better equipped to have an impact as a leader in the diaspora community. Of the United Diaspora participants, 93% felt that the connections made through the programme would be valuable in supporting their activities in their country of heritage and/or 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 2018/19 year, CPI achieved an average KPI of 85% across the programmes we delivered.

The value of the free places offered on our programmes this year was £220,608. All our programmes are grant funded so there is no cost to the participants.

In 2019/20, 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 diaspora communities
- build on the success of our intra-diaspora work by developing new programmes aimed at young and emerging diaspora leaders
- continue to gather and strengthen the evidence of impact for diaspora programmes.

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REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 JULY 2019

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 2019 was a surplus of £27,761 in unrestricted funds and deficit of £15,279 in restricted funds (2017/18: surplus of £48,453 in unrestricted funds, surplus of £39,006 in restricted funds). The Charity increased its total reserves to £193,015 of which £169,288 was unrestricted and £23,728 restricted at year-end (2017/18: £141,527 was unrestricted and £39,006 restricted). The continued improvement in the level of reserve therefore represents steady progress towards meeting the Charity's reserve objective of holding sufficient funds to cover its costs.

Income from charitable activities

In 2018/19, income totalled £460,283 (2017/18: £466,277). The Common Purpose Charitable Trust provided £250,729 of this income during the year (2017/18: £240,954). This income was to support delivery of a significant project. A further £188,780 of the Charity's income was for the delivery of other restricted fund programmes (2016/17: £170,205)

Expenditure

Total expenditure in 2018/19 amounted to £447,801, split between expenditure on unrestricted programmes (£243,742) and restricted programmes (£204,059) (2017/18: total of £378,818, made up of unrestricted expenditure of £247,619 and restricted expenditure of £131,199).

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

Charity Registration Number

1056573

Company Registration Number

3207453

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REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 JULY 2019

Registered Office

Monmouth House
38 – 40 Artillery Lane
London E1 7LS

Advisors

Auditors haysmacintyre, 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 2019 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 Charity 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 Charity. The board of trustees meets quarterly and sets the strategic direction of the Charity. The Charity 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 candidates and recommends appointments. Prospective trustees are briefed on the nature and

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REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2019

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 Charity's Articles of Association, and the Charity has maintained throughout the year Directors' and Officers' liability insurance for the benefit of the Charity, the trustees and its officers. The Charity'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.

Impact of COVID-19 (Coronavirus)

These accounts have been approved by the trustees at a time when there is significant economic and other uncertainty as a result of the emergence and international spread of the coronavirus, COVID-19. With the introduction of related virus control measures across the world since early March 2020, and in common with most other organisations, the Charity has been forced to curtail its activities, particularly in running face to face programmes. The office in London was closed on 17 March 2020 and the Charity then moved to fully home-based working.

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2019

The Charity is taking advantage of the UK government's Coronavirus Job Retention Scheme to furlough a staff member, and likewise ask members of the senior management team to take a reduction in salary. These two measures will both help the Charity to maintain employment of its staff and also save money for the period during which they apply.

In April 2020 the trustees formally reviewed an updated cash flow forecast to June 2021 for the group as a whole. On the basis of the assumptions made by management this showed the Charity remaining cash flow positive throughout the period to June 2021.

The trustees recognise, however, that given the current situation relating to COVID -19 any forecast of future activity levels and thus cash flow is inherently uncertain. The key uncertainty is the extent to which uncontracted income will be realised while the COVID-19 restrictions apply. To protect this income, we continue to stay very close to our donors and clients, many of whom have chosen to defer, rather than cancel, programmes. Nevertheless the Charity expects to see a significantly reduced level of activity and revenue for the remainder of 2019/20. This is expected to apply across all our programmes.

The trustees believe, however, that notwithstanding the inherent uncertainties that currently exist, the strength of the Charity's underlying business and management's ongoing relationships with key donors and clients, the actions being taken to mitigate expected reduced activity levels (as mentioned above) and a likely resumption of normal business activity during 2020, mean that the Charity remains financially sustainable and will remain a going concern for at least the next twelve months from the date of approval of these accounts.

The trustees will continue to actively monitor staff levels and operational costs and take such steps as they consider necessary to help ensure these remain in line with reduced activity levels and income, also taking into account the parent's proposed utilisation of the assistance being provided by the UK government.

The Charity's reserves are likely to fall slightly over the 2018/19 level as either programmes from March do not run or income originally expected in 2019/20 is deferred to the next financial year.

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;

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REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2019

- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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 5 May 2020



Albert Tucker
Trustee

COMMON PURPOSE INTERNATIONAL

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.

COMMON PURPOSE INTERNATIONAL

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.



22 May 2020

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

10 Queen Street Place
London EC4R 1AG

COMMON PURPOSE INTERNATIONAL

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

YEAR ENDED 31 JULY 2019

		Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
	Note						
Income from:							
<i>Charitable activities</i>							
International Project income		14,774	188,780	203,554	55,118	170,205.00	225,323
Income from Common Purpose Charitable Trust & Common Purpose Global Customised		256,729	0	256,729	240,954	0.00	240,954
Total		271,503	188,780	460,283	296,072	170,205	466,277
Expenditure on:							
Charitable Expenditure on International Projects		(243,742)	(204,059)	(447,801)	(247,619)	(131,199)	(378,818)
Total resources expended	3	(243,742)	(204,059)	(447,801)	(247,619)	(131,199)	(378,818)
Net income/(expenditure) & net movement in funds		27,761	(15,279)	12,482	48,453	39,006	87,459
Fund balances brought forward as at 1 Aug		141,527	39,006	180,533	93,074	0	93,074
Fund balances carried forward as at 31 July		169,288	23,727	193,015	141,527	39,006	180,533

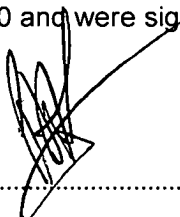
All recognized gains and losses are included in the Statement of Financial Activities.

All transactions are derived from continuing activities.

BALANCE SHEET AS AT 31 JULY 2019

	Note	31-Jul-19		31-Jul-18	
		£	£	£	£
Current assets					
Debtors	4	94,320		111,820	
Accrued income		18,624		37,520	
Cash at bank and in hand		97,549		269,350	
		<u>210,493</u>		<u>418,690</u>	
Creditors: amounts falling due within one year					
Creditors	5	<u>(17,478)</u>		<u>(238,157)</u>	
Net current assets			<u>193,015</u>		<u>180,533</u>
Net assets			<u>193,015</u>		<u>180,533</u>
Funds					
General fund			169,288		141,527
Restricted income fund			23,727		39,006
Total funds			<u>193,015</u>		<u>180,533</u>

The financial statements were approved and authorized for issue by the Board of Trustees on 5 May 2020 and were signed below on its behalf by:



Albert Tucker
Trustee

COMMON PURPOSE INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2019

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

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2019

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) Going concern

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Charity's response has been to reforecast its cash flow in light of COVID-19. This forecast shows the Charity staying cash flow positive for the next 12 months despite the impact on income during the 2019/20 financial year. The trustees believe therefore that the Charity 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.

(f) 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 2019	354,295	93,505	447,800
International Projects 2018	303,701	75,117	378,818

COMMON PURPOSE INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2019**

The aggregate emoluments including employer contributions of the key management personnel were £115,350 (2017/18: £113,118). The Charity does not employ any staff directly; all staff are seconded from The Common Purpose Charitable Trust.

3b. ANALYSIS OF SUPPORT COST

	Central Services £	Licence Fee £	Governance £	Total £
Support costs 2019	75,360	16,597	1,548	93,505
Support costs 2018	42,082	23,598	9,437	75,117

4. DEBTORS

	2019 £	2018 £
Amount due from parent undertaking (Common Purpose Charitable Trust)	0	0
Amount due from related undertaking (Common Purpose Global Customised Ltd)	85,320	79,320
Amount due from related undertaking (Common Purpose Student Experiences Ltd)	0	0
Trade debtors	9,000	32,500
	<u>94,320</u>	<u>111,820</u>

5. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2019 £	2018 £
Amount due from parent undertaking (Common Purpose Charitable Trust)	5,306	16,815
Amount due to related undertaking (Common Purpose UK)	917	17,785
Deferred income	0	171,208
Other creditors	11,255	32,349
Other taxes and social security	0	0
	<u>17,478</u>	<u>238,157</u>

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2019

6. RESTRICTED FUNDS

Restricted income (£188,780) represents grants from the Asfari Foundation, British Council Pakistan and Penny Appeal.

The restricted funds opening balance was nil.

2019	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers/ gains</i>	<i>Carried forward</i>
	£	£	£	£	£
Asfari Foundation	18,306	71,482	74,721	0	15,067
British Council Pakistan	20,700	71,960	84,000	0	8,660
Penny Appeal		45,338	45,338	0	0
Totals	39,006	188,780	204,059	0	23,727

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.

8. POST BALANCE SHEET EVENT

The COVID-19 crisis has had a major impact on the operations of the Charity and group. The directors/trustees have set out their assessment of the impact on pages 5 and 6, and have also considered the effect on the going concern of the Charity as set out in note 1(e). The trustees have assessed the crisis and its potential impact as a non-adjusting post balance sheet event.



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(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2019

Charity registered number: 1056573
Company registered number: 3207453

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REPORT OF THE TRUSTEES

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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 Charity 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

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2019

2. ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Common Purpose International has focused during the year on the development and running of diaspora leadership programmes

During 2018/19, our main priorities were to:

- continue to develop our diaspora leadership programmes
- launch our first intra-diaspora programme for young and emerging leaders
- development of customized programmes.

To achieve this, we ran four programmes reaching 168 participants. Highlights included our first international, intra-diaspora programme and a programme for Syrian, Palestinian and Lebanese civil society leaders.

Many participants report that, because of the programmes, they are better equipped to have an impact as a leader in their country of heritage and/or in the diaspora community. 91% of the participants on the Syrian Diaspora Leaders Programme felt they were better equipped to have an impact as a leader in the diaspora community. Of the United Diaspora participants, 93% felt that the connections made through the programme would be valuable in supporting their activities in their country of heritage and/or 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 2018/19 year, CPI achieved an average KPI of 85% across the programmes we delivered.

The value of the free places offered on our programmes this year was £220,608. All our programmes are grant funded so there is no cost to the participants.

In 2019/20, 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 diaspora communities
- build on the success of our intra-diaspora work by developing new programmes aimed at young and emerging diaspora leaders
- continue to gather and strengthen the evidence of impact for diaspora programmes.

COMMON PURPOSE INTERNATIONAL
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 JULY 2019

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 2019 was a surplus of £27,761 in unrestricted funds and deficit of £15,279 in restricted funds (2017/18: surplus of £48,453 in unrestricted funds, surplus of £39,006 in restricted funds). The Charity increased its total reserves to £193,015 of which £169,288 was unrestricted and £23,728 restricted at year-end (2017/18: £141,527 was unrestricted and £39,006 restricted). The continued improvement in the level of reserve therefore represents steady progress towards meeting the Charity's reserve objective of holding sufficient funds to cover its costs.

Income from charitable activities

In 2018/19, income totalled £460,283 (2017/18: £466,277). The Common Purpose Charitable Trust provided £250,729 of this income during the year (2017/18: £240,954). This income was to support delivery of a significant project. A further £188,780 of the Charity's income was for the delivery of other restricted fund programmes (2016/17: £170,205)

Expenditure

Total expenditure in 2018/19 amounted to £447,801, split between expenditure on unrestricted programmes (£243,742) and restricted programmes (£204,059) (2017/18: total of £378,818, made up of unrestricted expenditure of £247,619 and restricted expenditure of £131,199).

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

Charity Registration Number

1056573

Company Registration Number

3207453

COMMON PURPOSE INTERNATIONAL
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 JULY 2019

Registered Office

Monmouth House
38 – 40 Artillery Lane
London E1 7LS

Advisors

Auditors haysmacintyre, 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 2019 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 Charity 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 Charity. The board of trustees meets quarterly and sets the strategic direction of the Charity. The Charity 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 candidates and recommends appointments. Prospective trustees are briefed on the nature and

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2019

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 Charity's Articles of Association, and the Charity has maintained throughout the year Directors' and Officers' liability insurance for the benefit of the Charity, the trustees and its officers. The Charity'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.

Impact of COVID-19 (Coronavirus)

These accounts have been approved by the trustees at a time when there is significant economic and other uncertainty as a result of the emergence and international spread of the coronavirus, COVID-19. With the introduction of related virus control measures across the world since early March 2020, and in common with most other organisations, the Charity has been forced to curtail its activities, particularly in running face to face programmes. The office in London was closed on 17 March 2020 and the Charity then moved to fully home-based working.

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2019

The Charity is taking advantage of the UK government's Coronavirus Job Retention Scheme to furlough a staff member, and likewise ask members of the senior management team to take a reduction in salary. These two measures will both help the Charity to maintain employment of its staff and also save money for the period during which they apply.

In April 2020 the trustees formally reviewed an updated cash flow forecast to June 2021 for the group as a whole. On the basis of the assumptions made by management this showed the Charity remaining cash flow positive throughout the period to June 2021.

The trustees recognise, however, that given the current situation relating to COVID -19 any forecast of future activity levels and thus cash flow is inherently uncertain. The key uncertainty is the extent to which uncontracted income will be realised while the COVID-19 restrictions apply. To protect this income, we continue to stay very close to our donors and clients, many of whom have chosen to defer, rather than cancel, programmes. Nevertheless the Charity expects to see a significantly reduced level of activity and revenue for the remainder of 2019/20. This is expected to apply across all our programmes.

The trustees believe, however, that notwithstanding the inherent uncertainties that currently exist, the strength of the Charity's underlying business and management's ongoing relationships with key donors and clients, the actions being taken to mitigate expected reduced activity levels (as mentioned above) and a likely resumption of normal business activity during 2020, mean that the Charity remains financially sustainable and will remain a going concern for at least the next twelve months from the date of approval of these accounts.

The trustees will continue to actively monitor staff levels and operational costs and take such steps as they consider necessary to help ensure these remain in line with reduced activity levels and income, also taking into account the parent's proposed utilisation of the assistance being provided by the UK government.

The Charity's reserves are likely to fall slightly over the 2018/19 level as either programmes from March do not run or income originally expected in 2019/20 is deferred to the next financial year.

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;

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2019

- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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 5 May 2020



Albert Tucker
Trustee

COMMON PURPOSE INTERNATIONAL

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.

COMMON PURPOSE INTERNATIONAL

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.



22 May 2020

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

10 Queen Street Place
London EC4R 1AG

COMMON PURPOSE INTERNATIONAL

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

YEAR ENDED 31 JULY 2019

		Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
	Note						
Income from:							
<i>Charitable activities</i>							
International Project income		14,774	188,780	203,554	55,118	170,205.00	225,323
Income from Common Purpose Charitable Trust & Common Purpose Global Customised		256,729	0	256,729	240,954	0.00	240,954
Total		271,503	188,780	460,283	296,072	170,205	466,277
Expenditure on:							
Charitable Expenditure on International Projects		(243,742)	(204,059)	(447,801)	(247,619)	(131,199)	(378,818)
Total resources expended	3	(243,742)	(204,059)	(447,801)	(247,619)	(131,199)	(378,818)
Net income/(expenditure) & net movement in funds		27,761	(15,279)	12,482	48,453	39,006	87,459
Fund balances brought forward as at 1 Aug		141,527	39,006	180,533	93,074	0	93,074
Fund balances carried forward as at 31 July		169,288	23,727	193,015	141,527	39,006	180,533

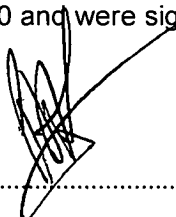
All recognized gains and losses are included in the Statement of Financial Activities.

All transactions are derived from continuing activities.

BALANCE SHEET AS AT 31 JULY 2019

		31-Jul-19		31-Jul-18	
	Note	£	£	£	£
Current assets					
Debtors	4	94,320		111,820	
Accrued income		18,624		37,520	
Cash at bank and in hand		97,549		269,350	
		<u>210,493</u>		<u>418,690</u>	
Creditors: amounts falling due within one year					
Creditors	5	<u>(17,478)</u>		<u>(238,157)</u>	
Net current assets			<u>193,015</u>		<u>180,533</u>
Net assets			<u>193,015</u>		<u>180,533</u>
Funds					
General fund			169,288		141,527
Restricted income fund			<u>23,727</u>		<u>39,006</u>
Total funds			<u>193,015</u>		<u>180,533</u>

The financial statements were approved and authorized for issue by the Board of Trustees on 5 May 2020 and were signed below on its behalf by:



Albert Tucker
Trustee

COMMON PURPOSE INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2019

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

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2019

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) Going concern

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Charity's response has been to reforecast its cash flow in light of COVID-19. This forecast shows the Charity staying cash flow positive for the next 12 months despite the impact on income during the 2019/20 financial year. The trustees believe therefore that the Charity 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.

(f) 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 2019	354,295	93,505	447,800
International Projects 2018	303,701	75,117	378,818

COMMON PURPOSE INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JULY 2019**

The aggregate emoluments including employer contributions of the key management personnel were £115,350 (2017/18: £113,118). The Charity does not employ any staff directly; all staff are seconded from The Common Purpose Charitable Trust.

3b. ANALYSIS OF SUPPORT COST

	Central Services £	Licence Fee £	Governance £	Total £
Support costs 2019	75,360	16,597	1,548	93,505
Support costs 2018	42,082	23,598	9,437	75,117

4. DEBTORS

	2019 £	2018 £
Amount due from parent undertaking (Common Purpose Charitable Trust)	0	0
Amount due from related undertaking (Common Purpose Global Customised Ltd)	85,320	79,320
Amount due from related undertaking (Common Purpose Student Experiences Ltd)	0	0
Trade debtors	9,000	32,500
	<u>94,320</u>	<u>111,820</u>

5. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2019 £	2018 £
Amount due from parent undertaking (Common Purpose Charitable Trust)	5,306	16,815
Amount due to related undertaking (Common Purpose UK)	917	17,785
Deferred income	0	171,208
Other creditors	11,255	32,349
Other taxes and social security	0	0
	<u>17,478</u>	<u>238,157</u>

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2019

6. RESTRICTED FUNDS

Restricted income (£188,780) represents grants from the Asfari Foundation, British Council Pakistan and Penny Appeal.

The restricted funds opening balance was nil.

2019	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers/ gains</i>	<i>Carried forward</i>
	£	£	£	£	£
Asfari Foundation	18,306	71,482	74,721	0	15,067
British Council Pakistan	20,700	71,960	84,000	0	8,660
Penny Appeal		45,338	45,338	0	0
Totals	39,006	188,780	204,059	0	23,727

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.

8. POST BALANCE SHEET EVENT

The COVID-19 crisis has had a major impact on the operations of the Charity and group. The directors/trustees have set out their assessment of the impact on pages 5 and 6, and have also considered the effect on the going concern of the Charity as set out in note 1(e). The trustees have assessed the crisis and its potential impact as a non-adjusting post balance sheet event.