



COMMON PURPOSE UK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2010

Company registered number: 3556983
Charity registered number: 1023384

COMMON PURPOSE UK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2010

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COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

The trustees of Common Purpose UK ("Common Purpose" or the "Company") are pleased to present their annual report together with the audited financial statements for the year ended 31 July 2010, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2006, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

1. OBJECTIVES AND AIMS

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

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

It was established as a charity in 1989 and is registered with the Charity Commission under the Registered Charity number 1023384.

Common Purpose is an international not-for-profit educational organisation that has been running educational courses which mix people from the private, public and not-for-profit sectors for over 20 years. Our educational courses give people the inspiration, skills and connections to become better leaders both at work and in society.

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

Ethos & Vision

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

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

For more details visit our website: www.commonpurpose.org.uk/about/charter

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

2. COMMON PURPOSE UK

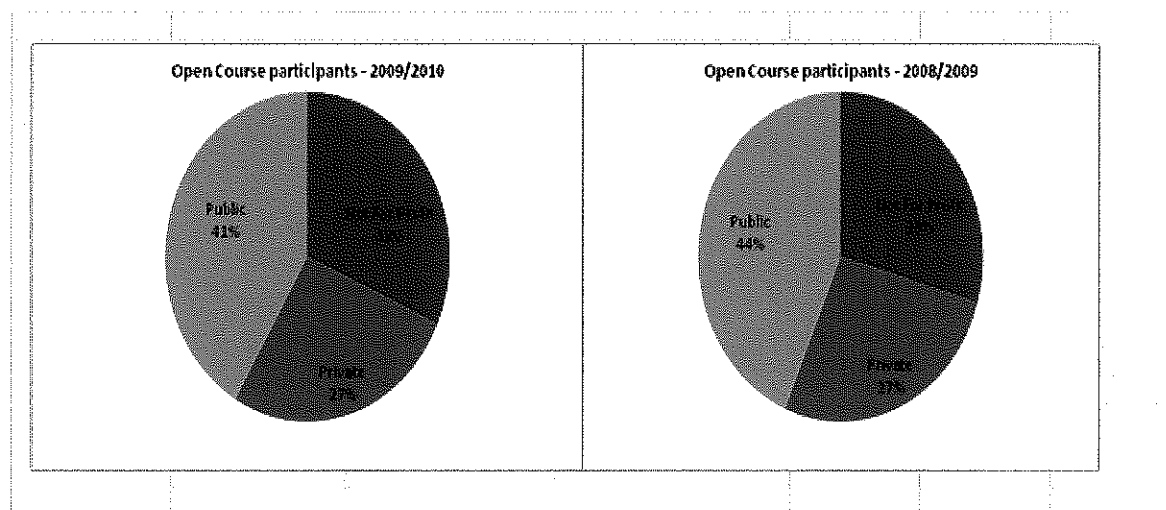
Objectives for the year

1. Maintain a balanced mix of participants on our open courses from the private, public and not for profit sectors.
2. Grow our local customised offering to meet our customers' needs.
3. Develop our international offering across our activities.
4. Achieve our financial target for the year.

Performance against the objectives is as follows:

1. *Maintain a balanced mix of people on our open courses from the private, public and not-for-profit sectors*

Given the economic climate and the changes that might be anticipated as a result of a change in Government during this financial year, we anticipated that there would be a fall in the number of participants from the public sector. We have worked hard to limit this. The pie charts below show that public sector participation on open courses has dropped by 3%. The development of new customised courses i.e. Collabs, Pitstops and Local Partnership Platforms and the growth in the not-for profit sector have helped to reduce the overall impact on the numbers of participants from the public sector. In the last quarter of the year, there were encouraging signs that the private sector was emerging out of the recession.



2. *Grow our local customised offerings to meet our customers' needs*

We have seen an increase in demand for local customised educational courses and workshops which allow for more people to benefit from a Common Purpose experiential learning process. We have responded to this by developing a number of "off the shelf" customised activities which can be tailored to suit the objective of an organisation or company. These include:

- *Collabs*: Provide participants with a tailored case study based on a challenge that closely reflects reality and calls for collaboration across multiple boundaries. The *Collab* is run with a

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

diverse group of leaders who are all involved - directly or indirectly - in the challenge. We mix them up, challenge them to build partnerships and push them to give feedback. We provide them with real local advisors from the different sectors so that they can check against reality.

- Pitstops: Introduce leaders to their local communities and can become part of an organisation's strategic review or their internal leadership development programme. The length of a Pitstop is determined by the customer.
- Local Partnership Platforms: Helping people to respond to the current climate, in which the need to work in collaboration is becoming more and more important as efficiency saving moves to the top of the agenda.

We have seen our local customised income grow during by 287% or £200,000 in this financial year compared to the last financial year by working in partnership with Civilia Limited.

3. Develop our International offering across our activities

We have responded to growing demand from our participants to help them to connect internationally, grow their international network and understand their international market positioning and culture, in the following ways:

- The development of the Common Purpose International Navigator course to link participants in different parts of the world to learn, share and understand their experiences, challenges and cultures.
- The expansion of our offering of Common Purpose Quests - a day spent in a city in another country- available now to the majority of our course participants, as well as our alumni.

4. Achieve our financial target for the year

The net result for 2009/10 was a deficit of £176,000 (2008/9: Deficit £19,700). The budget target was to achieve a modest surplus of £19,000. The good results produced by Civilia Ltd (profit of £505,636) due to the significant increase in the customised work could not have been achieved without the work in the UK in previous years.

3. OPEN COURSES

We run 10 different open courses, each one designed for people at different stages of their careers and lives. These courses are open to all applicants. The four features that make our courses unique are:

- We deal with real life issues and insights, so our courses are neither classroom nor lecture based.
- Because people apply for our courses from many different backgrounds and diverse outlooks, we create an environment in which participants are open to working with different people, in new ways and places.
- We connect people who might otherwise never meet. As a result, participants develop working relationships that encourage collaboration.
- We give participants an understanding of the local context in which they do their jobs, the impact of their decisions and the contribution they can make.

During 2010 we ran 61 (2009 – 69) open courses across the UK, as follows:

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

	July 2009/10	July 2008/9
1. Matrix	11	13
2. Focus	4	6
3. Meridian	11	12
4. InsideOUT	5	4
5. Common Purpose Navigator	1	7
6. Common Purpose International Navigator	7	2
7. What Next?	1	1
8. 20:20	1	1
9. Profile	20	23
TOTAL	<u><u>61</u></u>	<u><u>69</u></u>

The drop in the number of courses during the year is the direct result of a shift in the demand of the activity from open courses to customised work. There was also some modest growth for some courses, accompanied by the merging of some courses and offices.

Courses for established leaders

The following four courses are for established leaders from all sectors and backgrounds who are already experienced at delivering outcomes and managing people and priorities:

- 1. Matrix (10 days over 5 months) – normally based in a city, though a few Matrix courses cover a county.*
- 2. Focus (6 days over 5 months) - based in places that are dispersed or more remote.*
- 3. Meridian (60 hours over 6 months) - based in metropolitan areas.*
- 4. InsideOUT (8 days over 6 months) – based in places that encircle a metropolitan area.*

During the courses, participants work together on real-life challenges – based on anything from a prison to a casualty ward, a trading floor to a manufacturing unit - in small groups, learning constantly from each other, the contributors and the experience of operating in unfamiliar situations.

Courses for leaders in the early stage of their career

- 5. Common Purpose Navigator*
- 6. Common Purpose International Navigator*

Common Purpose International Navigator (44 hours over 4 months) and Common Purpose Navigator (5 day residential) are for people in the early stages of their career, from all sectors and backgrounds, who already have some management responsibility and are tipped to be the leaders of the future in their community or organisation. During 2009 Common Purpose International Navigator replaced Common Purpose Navigator. Its local nature enables participants to connect with their own community and its international reach stretches them beyond it. It challenges participants to face up to complex problems and to become leaders who can deliver results by building and leading collaboration.

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

Courses for Leaders in the advanced stages of their career

7. What Next (4 day residential with a follow on day) is a leadership course, run in partnership with Oxford Said Business School, for people in transition – most often from their formal career - who are looking for new and different leadership opportunities.

During the course, participants review their skills and experience and explore the many options that exist for portfolio, non-executive and volunteer roles. Participants will gain insights into how to access opportunities that best match their individual passions, strengths and values.

8. 20:20 (5 days residential) - is for leaders, from all sectors and backgrounds, who are increasingly operating at a national level.

20:20 has two central themes - wealth creation and governance - which are explored in the context of increasing globalisation. Briefings are given by top business people, media, lobby groups, politicians, civil servants, economists and scientists. Participants learn about the key economic, political, technological and social trends in society. This forms the backdrop for participants to investigate how leaders deal with constantly changing situations, stakeholders who are going in different directions, partners and systems they do not understand and timescales - far shorter or far longer - than they would like.

9. Profile (2 days) is a fast-paced course for people who want a briefing on the place where they live or work as an introduction or an update. They discover the important trends, the key institutions and the main players locally and hear first-hand from some of the leaders who are tackling local issues.

Applications to open courses

People apply to attend our courses from all sectors and with the widest possible variety of beliefs, backgrounds and social groups. Some apply because they hold a voluntary position, others because they are chief executives of local companies. We welcome applications from anyone, anywhere, who currently holds a leadership position and wants to develop their skills.

The broad mix of people from a wide range of backgrounds, professions, sectors, and communities is essential to the learning process and the outcomes of each course. This is made possible by the Local Advisory Group, who ensure that participant groups are diverse and reflect the make up of the local area.

Open Course Fees and Bursaries

The fees for the open courses range from £250 for a one day course or event, to £4,500 for a modular course which runs over 6 months, or a five day residential course for £5,750. During 2009/10, the fees were held at the same level as in 2008/09. The fees are set so as to recover the direct costs of running a course, which include residential venue and staff costs, and make a contribution to the central support costs, which include curriculum development, marketing, finance and IT.

We are totally committed to ensuring that our courses are open to all and not simply to those who can pay fees. Ability to pay is not part of the application process and each course maintains a bursary fund for people who are unable to meet the full fee. Sometimes we offer almost full bursaries and sometimes part bursaries and every participant is asked to make some contribution. In 2009/10 we had 1,585 (2008/09:1,758) participants on our open courses, 69% (2008/09: 54%) of which received either full bursary support or part bursaries. In total 1,098 (2008/09: 941) participants over the year

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

were in receipt of part or almost full bursaries, which represents a £2,216,920 (2008/09 £1,964,212) reduction in the fee income.

Most of the bursaries are provided by Common Purpose itself but we also receive some sponsorship. During the year ended 31 July 2010, this amounted to £76,000 (2008/09: £263,609). The commitment to bursaries is also made possible thanks to support in kind from supporters and contributors which keeps our costs down, and for which we are very grateful.

Youth Courses

Frontrunner (4 day residential) - is a free of charge course which helps university-age people, who have a track record of leading change, to set their sights even higher as they look beyond full time education. Participants visit a wide range of organisations and question leaders from many different walks of life. This gives the next generation of inspiring leaders a rare opportunity to broaden their knowledge of the real world, plan for their future and further develop their leadership skills.

Your Turn (3 days over 2 weeks) - is a leadership development course for young people, often run in partnership with schools. It challenges young people to re-examine the place they live in and the world around them, to explore how decisions are made and see how they can make change happen.

All young people on our youth courses are in receipt of bursaries. Some bursaries are provided by sponsors, particularly schools and Local Education Authorities, the rest are provided by Common Purpose itself.

Other events and activities

We occasionally run Open Ground events – over one day or two days, they draw leaders together to learn from each other, share ideas and solve problems. One Open Ground event was held in Wales during the year ended 31 July 2010 drawing participants from across Wales, Northern Ireland and Scotland.

We run CHANGEit – an annual awards event supported by Deutsche Bank which recognises, supports and rewards young campaigners aged 11-18 throughout the UK who want to or are already creating positive change in their local areas. In 2010 we received 121 applications from 894 young people. There were 129 finalists with 20 individual prizes totalling £7,500 awarded to the winners to spend on their campaigns.

4. PLANS FOR THE FUTURE

Over the next year we want to build sustainable reserves.

We will do this by:

- Building on the work done over the last year piloting a number of successful new initiatives and delivering them locally across the UK. In doing so it will reduce our reliance on Meridian course income.
- Developing our work with young people in schools, universities and at work.
- Continuing to internationalise our courses, further developing links with Common Purpose in other countries, notably with India through “Dishaa”, an initiative for UK and Indian leaders.
- Working in partnership with colleagues in Civilia to identify and deliver customised work in the UK for all sectors, particularly the private sector.
- Gathering participant’s feedback to better tell the story of Common Purpose and show evidence of its impact in the UK.

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

5. REVIEW OF FINANCIAL ACTIVITIES

The net movement in unrestricted funds for the year ended 31 July 2010 was a deficit of £224,738 (2009: deficit of £19,677). The net movement in restricted funds for the year was £48,705 (2009: £nil). Details of the results for the year are given in the Statement of Financial Activities on page 16.

Donated goods and services

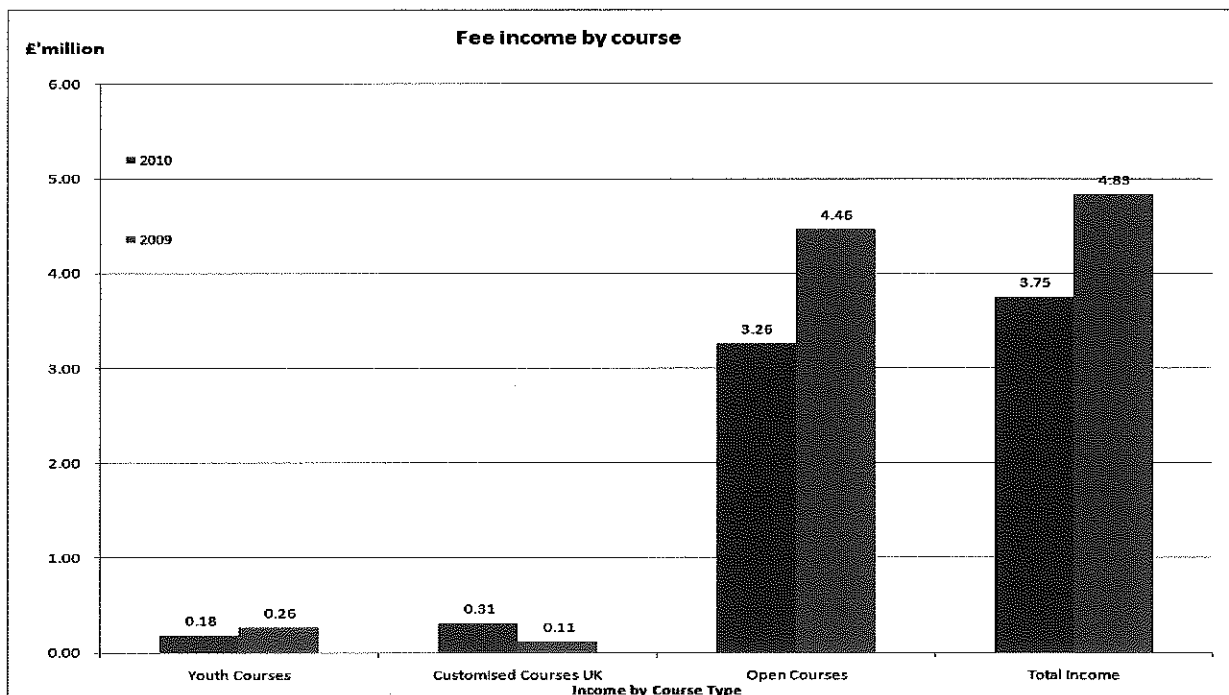
During the year expenditure in Common Purpose was kept to a minimum through the receipt of significant support in kind received locally and nationally. Generous support was received in kind from supporters who act as advisors, speakers, contributors and hosts on the course days. Such contribution enables Common Purpose to run the high quality and range of courses currently in operation as well as enabling Common Purpose to offer bursary and part bursary places on those courses. During 2010, donated goods and services amounted to £660,474, compared with £700,000 in 2009.

Income from charitable activities

In 2009/2010 courses continued to be funded through a combination of tuition fees, bursaries and sponsorship. These sources covered both direct costs incurred locally and the indirect costs of central services provided by the head office in London.

Income from charitable activities decreased from £5,970,000 (includes £107,000 from Customised) in 2009 to £5,310,000 (includes £307,000 Customised) in 2010. The major cause for this decrease was the decline in open course fees which fell by £1,096,000 (£1,296,000 excluding Customise growth) from £4,828,000 in 2009 to £3,732,000 in 2010. The growth in customised and project income has helped us to cover the decline in open courses.

Set out is a summary of the course fee income by course type.



COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

In the year 09/10 there has been a change in trading pattern. We have seen a decline in open courses and significant growth in customised and non-tuition fee income. Since the financial year 2007/08 (our peak year for tuition fee income) our fee income is down 27%. This year we have seen a fall in the number of full fee payers, with the public sector being particularly affected for the first time.

The local customised income has grown by 287% or £200,000 in this financial year compared to the last financial year.

Income from youth courses decreased slightly from £258,000 in 2009 to £180,000 in 2010.

The income from local sponsors decreased 50% from £171,000 in 2009 to £114,000 in 2010.

Cost recoveries from related entities have increased to £1,065,000 in 2010 from £833,000 in 2009 mainly due to inter-company transfers. These are recoveries of direct costs and related overheads in respect of services provided to related charities and a related company, all based in the UK. Further details of the charges are set out on the following page.

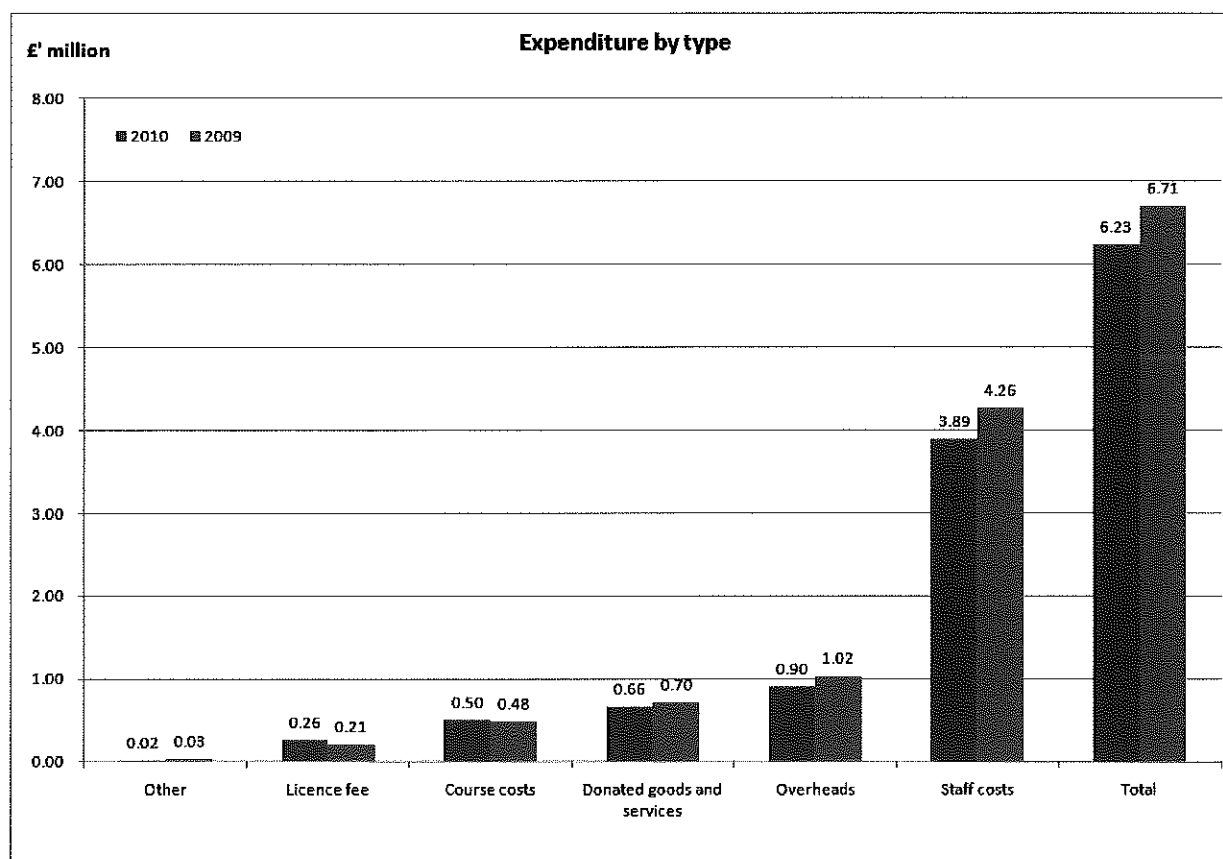
COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

Expenditure

Total expenditure in 2010 amounted to £6,230,000 compared with £6,706,000 in 2009, a decrease £476,000. Expenditure by type, rather than activity, for 2010 compared with 2009, is shown below.



Staff costs, including temporary staff, account for approximately 70% of total expenditure, excluding donated goods and services. During 2010, staff costs (including agency staff) decreased by 9%, from £4,260,000 to £3,890,000 mainly due to a decrease in staff numbers. Average staff numbers fell from 125 in 2009 to 113 in 2010. The reduction in staff numbers was initiated in anticipation of a decline in course fees.

Overheads fell from £1,000,000 in 2009 to £900,000 in 2010 due to lower staff numbers and fewer courses being run.

Course cost decreased by 10% mainly due to low activity. Although the number of courses that were run in 2010 was lower than in 2009, 61 compared with 69, one third of this reduction was due to fewer Profile courses being run. These courses run over two days and have a lower cost. Donated goods and services have decreased from £704,000 in 2009 to £660,000 in 2010. Of this decrease, £33,000 relates to courses.

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

Cost recharges to Common Purpose Charitable Trust and Civilia Limited

During the year ended 31 July 2010 the separate charitable company, Common Purpose Charitable Trust, which is the holding company and ultimate parent company of Common Purpose UK, commissioned the services of several members of its staff to perform certain activities on its behalf. In consideration for those services, Common Purpose UK invoiced Common Purpose Charitable Trust.

During the year ended 31 July 2010 Civilia Ltd, which manages the licensing arrangements and provides support services to the Common Purpose licensees, commissioned the services of several members of its staff to provide curriculum, IT and marketing services to the licencees. In consideration for those services, Common Purpose UK invoiced Civilia Ltd.

6. RESERVES POLICY

The policy of the Trustees is to build up a level of reserves, which would enable the Charity to meet its ongoing liabilities in the event of a serious business interruption. The Trustees have set a target for reserves to achieve 15% of cash expenditure excluding cost recharges within next two years. Based on the current level of expenditure this would equate to reserves of approximately £675,000 or 1.8 months. Although the current level of reserves is £558,491 (12.3% or 1.48 months) the Trustees consider that the current level of reserves is adequate in the current environment.

7. REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1023384
Company number: 3556983
Registered office: Discovery House
28-42 Banner Street
London
EC1Y 8QE

8. ADVISORS

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

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

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

9. TRUSTEES AND DIRECTORS

Sir David Bell (Chair)
Chris Mathias
Andrew Cubie
Miriam Mulcahy
John Inge
Richard Charkin
Diana Parker
Kuben Naidoo
Philip Wright
Mark Linder
Peter Kulloi
Rudolfo Bogni
Albert Tucker – appointed 1 July 2010

All served throughout the year ended 31 July 2010, unless indicated otherwise.

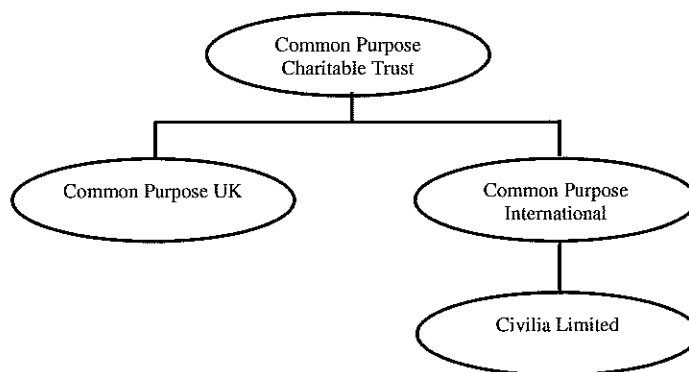
Chief Executive Officer

Julia Middleton

10. STRUCTURE, GOVERNANCE AND MANAGEMENT:

Common Purpose UK is a company limited by guarantee and is governed by its Memorandum and Articles of Association. It was registered as a charity with the Charity Commission on 30 April 1998.

Common Purpose UK is a subsidiary of the Common Purpose Charitable Trust, which is the parent company and charity of a group structure, which is shown below. All holdings are 100%.



Common Purpose International is a charity of which Civilia Ltd is a registered trading company.

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

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 work of the organisation, invited to meet the board and the executive and, if the board approves, appointed at the next board meeting. Appointments are ratified at the following annual general meeting.

Policies and procedures for training and induction of Trustees

All Trustees are offered an induction, which is tailored to suit their individual requirement. Each new Trustee receives an information pack which 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.

Organisational structure and decision making

The Trustees of Common Purpose UK meet quarterly to review the direction and performance of the organisation. They set and agree the strategy to ensure that the organisation meets its aims.

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

In each local area in which Common Purpose operates, a Local Advisory Group is set up, the chair of which is appointed by the chair of the trustees. The group is made up of local leaders from the public, private and voluntary sectors. The Local Advisory Group ensures that participant groups are diverse and reflect the make-up of the local area. The names of members of all Local Advisory Groups are published on the Common Purpose web site.

Risk Review Statement

The trustees have established an annual risk assessment process through which it 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.

Statement of Trustees' responsibilities

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 Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

COMMON PURPOSE UK

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In determining how amounts are presented within items in the profit and loss account and balance sheet, the trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting policies or practice.

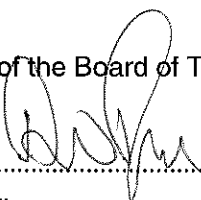
So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

11. AUDITORS

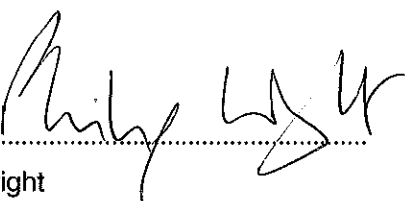
A resolution re-appointing haysmacintyre will be proposed at the AGM in accordance with S485 of the Companies Act 2006.

By order of the Board of Trustees on 22 March 2011


.....

David Bell

Trustee


.....

Philip Wright

Trustee

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

We have audited the financial statements of Common Purpose UK for the year ended 31 July 2010 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Trustees (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 July 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

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

Fairfax House
15 Fulwood Place
London
WC1V 6AY

24 March..... 2011

COMMON PURPOSE UK

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

FOR THE YEAR ENDED 31 JULY 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Donated goods and services		660,474		660,474	704,577
Bank interest		47		47	1,730
<i>Incoming resources from charitable activities</i>					
Course fees		3,732,107		3,732,107	4,828,513
Local sponsors		372,230	140,811	513,041	310,748
Cost recoveries from related entities		1,064,820		1,064,820	833,490
<i>Other income</i>		84,797		84,797	7,644
Total incoming resources		5,914,475	140,811	6,055,286	6,686,702
Resources expended					
<i>Charitable Activities</i>					
Youth courses		343,036	13,626	356,662	286,080
Open courses		4,170,723		4,170,723	5,367,580
Customised courses		493,028	78,480	571,508	171,882
Expenditure incurred in respect of related entities		1,064,825		1,064,825	833,490
<i>Governance</i>		67,601		67,601	47,347
Total resources expended	5	6,139,213	92,106	6,231,319	6,706,379
Net movement in funds	2	(224,738)	48,705	(176,033)	(19,677)
Fund balances brought forward at 1 August 2009		734,524	-	734,524	754,201
Fund balances carried forward at 31 July 2010		509,786	48,705	558,491	734,524

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

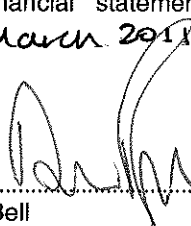
COMMON PURPOSE UK

BALANCE SHEET

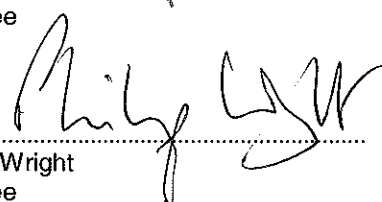
AS AT 31 JULY 2010

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		30,587		46,809
Current assets					
Debtors	7	1,162,246		1,268,240	
Cash at bank and in hand		13,494		95,080	
		<u>1,175,740</u>		<u>1,363,320</u>	
Creditors: amounts falling due within one year	8	(647,836)		(675,605)	
Net current assets/liabilities			<u>527,904</u>		<u>687,715</u>
Total assets less current liabilities			<u>558,491</u>		<u>734,524</u>
RESERVES					
Unrestricted funds			509,786		734,524
Restricted funds			48,705		-
			<u>558,491</u>		<u>734,524</u>

The financial statements were approved and authorised for issue by the Board of Trustees on *22 March 2011* and were signed below on its behalf by:



 David Bell
 Trustee



 Philip Wright
 Trustee

COMMON PURPOSE UK
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2010

	Note	2010 £	2009 £
Net cash (outflow) from operating activities	9	(60,917)	(106,527)
Returns on investments and servicing of finance			
Interest received		47	1,730
Capital expenditure			
Receipts from the disposal of tangible fixed assets			-
Payments to acquire tangible fixed assets		(20,716)	(26,743)
(Decrease)in cash	10	<u>(81,586)</u>	<u>(131,540)</u>

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost basis and in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities* (revised 2005), with applicable accounting standards and the Companies Act 2006.

(b) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the trustees in furtherance of the general charitable objectives.

Restricted funds are funds subject to specific restricted conditions imposed by the donors.

(c) Incoming resources

Incoming resources represent the total income receivable during the year comprising tuition fees, local sponsors, bursaries, project income, bank interest and other income.

Income and expenditure related to individual courses is matched and any surplus on a course is recognised in the accounting year in which it arises. Course deficits are recognised as soon as anticipated. Income is fully recognised on commencement of courses including those that cease after the year end as no refunds are given once a course has commenced and hence full entitlement to the income occurs on commencement.

Where Common Purpose has been donated facilities amounts are included in incoming resources at the estimated value to the charity of the donated facilities with an equal and opposite amount being included in expenditure.

(d) Resources expended

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

Direct costs are charged to the appropriate category of charitable activity or governance cost along with appropriate allocation of support costs, which are defined as those costs which are necessary to deliver the charitable activity but do not constitute its output. More detail as to the method of their allocation is given in note 5b to the accounts.

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

(e) Depreciation

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

Leasehold improvements	20% straight line
Computer equipment	33% straight line

(f) Leased assets

Payments under operating leases are charged to the Statement of Financial Activities.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2010

2. NET MOVEMENT IN FUNDS	2010	2009
	£	£
The net movement in funds is arrived at after charging:		
Depreciation	36,936	57,403
Auditors' remuneration	9,850	9,500
Operating lease rentals – land and buildings	135,725	118,718
Operating lease rentals – other	8,400	7,982
	<u> </u>	<u> </u>
3. STAFF NUMBERS AND EMOLUMENTS	Number	Number
The average number of persons employed by the Company during the year was:		
Courses	82	87
Management and administration	31	38
	<u> </u>	<u> </u>
	113	125
	<u> </u>	<u> </u>
Staff costs	£	£
Wages and salaries	3,441,019	3,758,910
Social security costs	317,978	346,561
	<u> </u>	<u> </u>
	3,758,997	4,105,471
	<u> </u>	<u> </u>
The number of employees whose emoluments for the year fell within the following bands were:	Number	Number
£60,000 - £69,999	3	2
£70,000 - £79,999	1	1
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1
£100,000 - £109,999	1	0
	<u> </u>	<u> </u>
	7	5
	<u> </u>	<u> </u>
4. TRANSACTIONS WITH TRUSTEES		
No emoluments were paid, nor expenses reimbursed, to the trustees during the year (2009: nil).		

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2010

5a. ANALYSIS OF RESOURCES EXPENDED

	Direct costs £	Support Costs £	Total 2010 £	Total 2009 £
Youth courses	329,016	14,020	343,036	286,080
Open courses	3,206,825	963,898	4,170,723	5,367,580
Customised courses	350,160	142,868	493,028	171,882
Expenditure incurred in respect of related entities	739,075	325,750	1,064,825	833,490
Governance	9,850	57,751	67,601	47,347
	<u>4,634,926</u>	<u>1,504,287</u>	<u>6,139,213</u>	<u>6,706,379</u>

5b. ANALYSIS OF SUPPORT COSTS

	Finance and HR costs £	Office costs £	2010 Total £	2009 Total £
Youth courses	4,162	9,858	14,020	21,075
Open courses	279,320	684,578	963,898	1,195,151
Customised courses	26,333	116,535	142,868	30,292
Expenditure incurred in respect of related entities	18,574	307,176	325,750	159,629
Governance	0	57,751	57,751	47,040
	<u>328,389</u>	<u>1,175,898</u>	<u>1,504,287</u>	<u>1,453,187</u>

Finance and HR costs are apportioned on the basis of the percentage of each activity's direct expenditure. Office costs are apportioned on the same basis.

6. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Computer Equipment £	Total £
COST			
At 31 July 2009	119,314	1,134,707	1,254,021
Additions	838	19,878	20,716
At 31 July 2010	<u>120,152</u>	<u>1,154,585</u>	<u>1,274,737</u>
DEPRECIATION			
At 31 July 2009	115,955	1,091,257	1,207,212
Charge for year	1,955	34,983	36,938
At 31 July 2010	<u>117,910</u>	<u>1,126,240</u>	<u>1,244,150</u>
NET BOOK VALUE			
At 31 July 2010	<u>2,242</u>	<u>28,345</u>	<u>30,587</u>
At 31 July 2009	<u>3,359</u>	<u>43,450</u>	<u>46,809</u>

All the fixed assets are used for direct charitable activities.

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2010

7. DEBTORS		2010	2009	
		£	£	
Tuition fees and sponsorship income		300,913	627,326	
Prepayments		39,268	35,067	
Prepaid marketing and printing stocks		26,507	29,133	
Amounts due from related undertakings		584,718	381,985	
Other Debtors		210,840	194,729	
		<u>1,162,246</u>	<u>1,268,240</u>	
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2010	2009	
		£	£	
Sundry creditors and accruals		232,976	287,124	
Other taxes and social security		186,295	211,106	
Amounts due to Civilla Limited		142,324	-	
Deferred income		86,241	177,375	
		<u>647,836</u>	<u>675,605</u>	
Deferred income relates to invoices raised in respect of courses that are due to commence after 31 July 2010. The brought forward deferred income has been released into the current year's Statement of Financial Activities.				
9. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES		2010	2009	
		£	£	
Net movement in funds		(176,029)	(19,677)	
Interest received		(47)	(1,730)	
Depreciation		36,936	57,043	
Profit on disposal of fixed assets		-	-	
Decrease in debtors		105,994	27,212	
(Decrease)/increase in creditors		(27,771)	(169,375)	
Net cash inflow from operating activities		<u>(60,917)</u>	<u>(106,527)</u>	
10. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR		2009	Movement in year	2010
		£	£	£
Cash at bank and in hand		<u>95,080</u>	<u>81,586</u>	<u>13,494</u>
11. ANALYSIS OF NET ASSETS BETWEEN FUNDS		Restricted Funds	Unrestricted Funds	Total Funds
		£	£	£
Fixed assets			30,587	30,587
Current assets		48,705	1,127,035	1,175,740
Current liabilities		-	(647,836)	(647,836)
		<u>48,705</u>	<u>509,786</u>	<u>558,491</u>

COMMON PURPOSE UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2010

12. OPERATING LEASE COMMITMENTS

The Company is committed to making the following minimum annual rental payments in respect of leases expiring;

	2010 Land and Buildings £	2009 Land and Buildings £
Within:		
more one year and less than 5 years	411,250	499,375
over five 5 years		-
	<u> </u>	<u> </u>
	2010 Equipment £	2009 Equipment £
Within:		
more one year and less than 5 years	33,600	3,756
	<u> </u>	<u> </u>

13. SHARE CAPITAL

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

14 PARENT UNDERTAKING

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

Consolidated financial statements for The Common Purpose Charitable Trust are available to the public on payment of the appropriate fees from Companies Registration Office, Companies House, Crown Way, and Cardiff, CF14 3UZ.