

THE COMMON PURPOSE CHARITABLE TRUST
(A company limited by guarantee)
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2010

Company registered number: 2832875
Charity registered number: 1023384

COMMON PURPOSE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2010

CONTENTS	Page
Report of the Trustees	1-17
Independent Auditor's report	18-19
Consolidated statement of financial activities	20
Consolidated balance sheet	21
Trust balance sheet	22
Consolidated cash flow statement	23
Notes to the consolidated financial statements	24-30

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2010

The trustees of Common Purpose Charitable Trust (“Common Purpose”, “the Trust” 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. The objectives of our educational courses are to 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 CHARITABLE TRUST

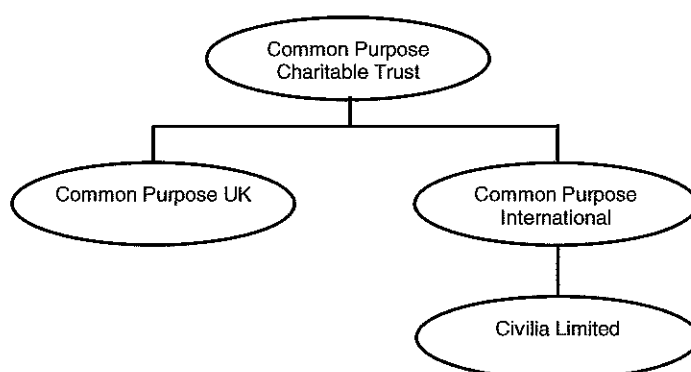
TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

2. COMMON PURPOSE CHARITABLE TRUST

Common Purpose Charitable Trust is the parent company in a group structure. All subsidiaries are 100% owned by Common Purpose Charitable Trust. Most of the Trust's activities are carried out through the subsidiary organisations:

- Common Purpose UK, a charity
- Common Purpose International, a charity
- Civilia Ltd is a trading company which manages the international licensing arrangements, the provision of services to licensees and delivers customised Common Purpose courses. Civilia Ltd a company registered in England is a wholly owned subsidiary of Common Purpose International.



Summary information about each organisation's objectives, activities and performance is shown later in this report.

3. THE ROLE OF COMMON PURPOSE CHARITABLE TRUST

The Trust oversees the activities of all the companies within the group; Common Purpose UK, Common Purpose International and Civilia Ltd.

The Charitable Trust is responsible for:

- overall strategic plan.
- overseeing the activities of all the companies in the group.
- safeguarding the brands, intellectual property, web domain names and trademarks.
- supporting the alumni in each country.
- the development of new international opportunities.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

Objectives for the year

Common Purpose Charitable Trust's key objectives for the year 2009/10 included:

- Make a step change in our use of technology to best serve the increasing scale and complexity of Common Purpose.
- Support the rapid growth in India.
- Develop our customised offering in each country to meet the increased demand for customised work internationally.
- Improve our participant assessment system and better analyse the positive impact of Common Purpose.

These objectives formed the basis of a target setting process for individual members of staff and progress was reviewed through the year and finally as part of the annual staff appraisal process. The senior management team review overall progress against the objectives on a monthly basis throughout the year.

Performance against the Trust's objectives is as follows:

- **Make a step change in our use of technology to best serve the increasing scale and complexity of Common Purpose**

Over the year we have continued to introduce new software to support our online marketing work. We have supported this by increasing the film footage of Common Purpose events and published these on the website. We have started interviewing alumni to capture their stories. We have invested in the internal Common Purpose intranet. We have started the process of building Common Purpose Office three - our Customer Relationship Management system. Finally, over half our staff are now communicating through blogs, social networking sites and an internal staff system.

- **Support the rapid growth in India**

After a slow start in India due to staffing issues the business got on track very soon, in particular with the launch of "Dishaa", an initiative for the next generation of leaders in UK and India in July 2010. Given the huge potential for Common Purpose in India this country will remain a high priority.

- **Develop our customised offering in each country to meet the increased demand for customised work internationally**

This has been very successful with significant growth of the customised offering in Civilia Limited (UK) (116% since 2008/09) and some very exciting and new partnerships with the private sector.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

- **Improve our participant assessment system and better analyse the positive impact of Common Purpose**

We have reviewed our participant assessment system in order to improve the way we capture the outcome and help participants transfer their learning. We achieve an average of 86.9% Key Performance Indicator on our key questions such as "Was this event value for time"?

4. COMMON PURPOSE INTERNATIONAL

Objectives for the year

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

The main focus of the activity was to:

1. Support the emerging entity in Turkey and
2. Undertake development work for the re-launch of Common Purpose France.

Performance against objectives is as follows:

1 Support the emerging entity in Turkey

Support and guidance was provided in Turkey to develop a sustainable model to reduce dependency on sponsorship income. Turkey is now developing Frontrunner as well as Meridian courses.

2 Undertake development work for the re-launch of Common Purpose France

Work was undertaken to build relationships and research funding opportunities for the re-launch of a new course in Lille. We are committed to continuing work in France though this is a challenging location in which to work so it would, by necessity, be a medium term strategy.

5. CIVILIA LIMITED

Objectives for the year

1. Support the licensees to adopt more modular course formats.
2. Increase the amount of customised work.
3. Design and build new international and local websites.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

Performance against objectives is as follows:

1 Support the licensees to adopt more modular course formats

The licensees are Common Purpose UK and Common Purpose Organisations operating in Germany, The Netherlands, Hungary, Ireland, India, France, Ghana, South Africa and Turkey. The modular course has been piloted and successfully adopted in all of these countries.

2 Increase the amount of customised work

The growth in the income generated from the courses increased from £365,000 in 2008/09 to £789,000 in 2009/10.

These customised courses use the same Common Purpose approach of experiential learning to develop community understanding for specific organisations, cross-sector groups and partnerships. This growth was achieved despite the tough economic climate. We continue to develop the customised offerings and intend to grow further in 2010/2011.

3 Design and build new local and international websites

Significant work was undertaken to produce a framework for individual country websites as well as our international websites based on the new Umbraco Open Source system which allows a more media-rich end user experience. A full transition to the new platform will be completed during 2011.

6. 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 customer's needs.
3. Develop our international offering across our activities.
4. Achieve our financial target for the year.

Performance against the objectives is as follows:

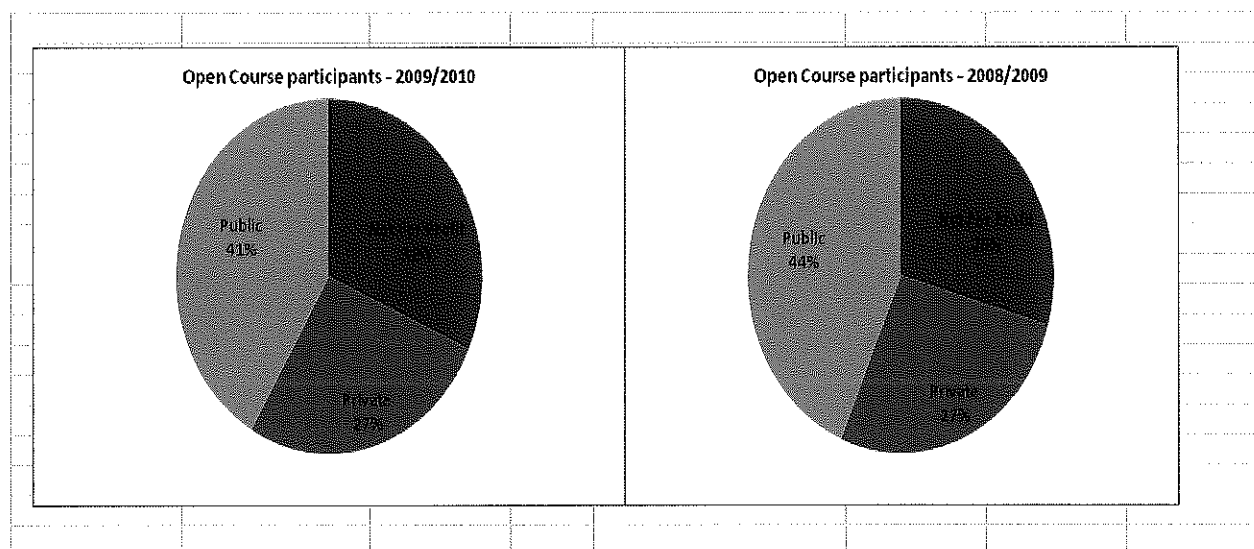
1 Maintain a balanced mix of people on our open courses from the private, public and not-for-profit sectors

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 .

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010



2. Grow our local customised offerings to meet our customer 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 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.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

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.

7. 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 2009/10 we ran 62 (2008/9 – 71) open courses across the UK, as follows:

	2009/10	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

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

9. Profile	20	23
	<hr/>	<hr/>
TOTAL	<u>61</u>	<u>69</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 CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE 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 firsthand 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 ensures 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.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

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 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.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

8. GROUP PLANS FOR THE FUTURE

In the coming year our objectives are:

1 To review the governance arrangements for Common Purpose as a whole so as to ensure that they are fit for purpose for an increasingly international organisation, and implement any improvement.

2 To increase the activity on all the Common Purpose web sites, so as to use multimedia to better illustrate the work of Common Purpose and develop Common Purpose as a brand on the net and to support our Alumni.

3 To increase the amount of work we do with young leaders in the many countries in which we operate.

4 Develop our customised offering in each country to meet the increased demand for customised work internationally.

5 To continue to support the growth in the Asia Pacific region.

9. REVIEW OF FINANCIAL ACTIVITIES

Overview of financial position

The net movement in unrestricted funds for the year ended 31 July 2010 was a deficit of £87,459 (2008/9: surplus of £426). The net movement in restricted funds for the year was £48,705 (2008/9: nil). Details of the results for the year are given in the Statement of Financial Activities on page 22.

Income

Total income decreased from £6,574,622 in 2008/9 to £5,875,395 in 2009/10. The major cause for this decrease was the decline in open course fees. The growth in customised and project income helped to partially cover the decline in open courses.

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 valuable 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 our courses. During 2009/10, donated goods and services amounted to £660,000 compared with £704,000 in 2008/9.

External income of trading subsidiary – (CPI subsidiary)

External income of trading subsidiary Civilia Ltd, which comprises licence fee income and customised work, amounted to £768,237 (92% customised) in 2010 compared to £428,904 (75% customised) in 2009.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

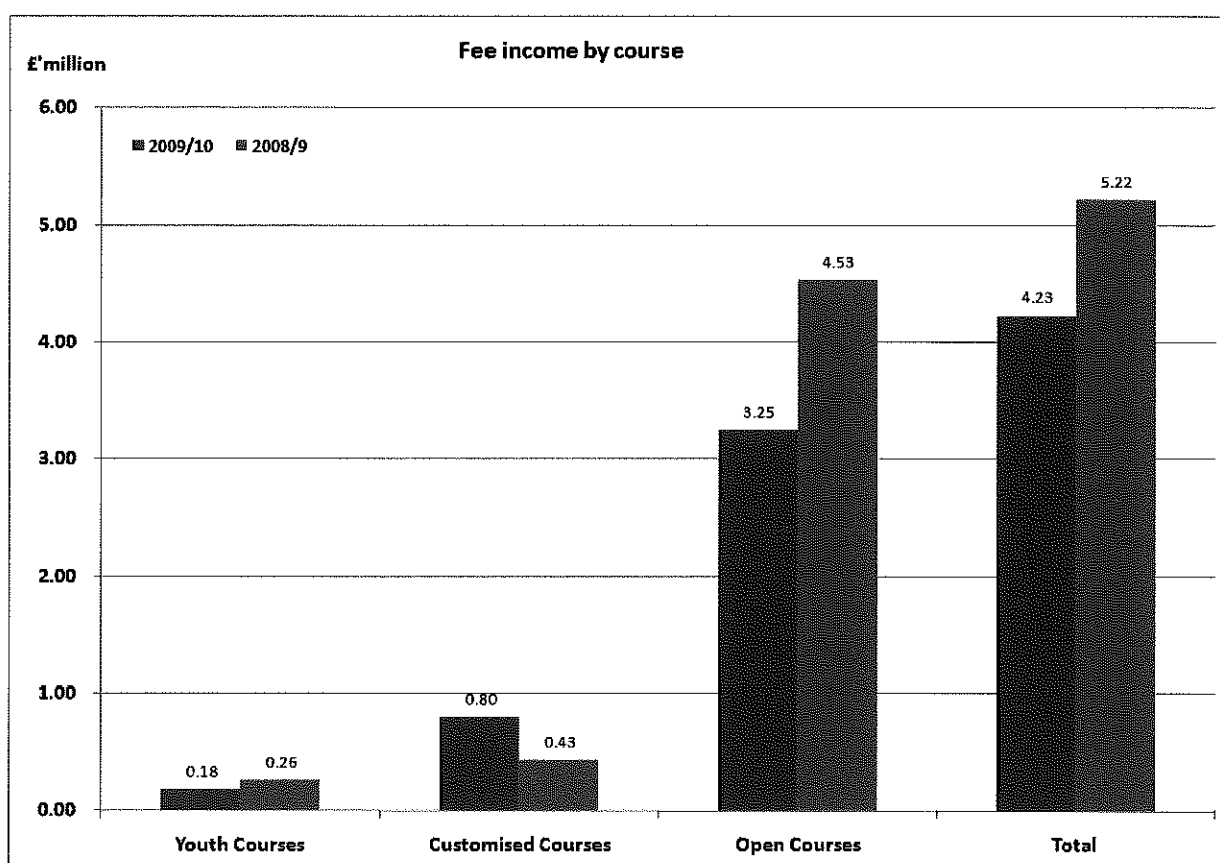
FOR THE YEAR ENDED 31 JULY 2010

9. REVIEW OF FINANCIAL ACTIVITIES (continued)

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.

Below is a summary of the course fee income by course type.



In the year 2009/10 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 28% down. 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 customised income has grown by 85% or £366,000 in this financial year compared to the last financial year.

Income from Youth courses decreased by 30% from £258,000 in 2008/9 to £180,000 in 2009/10 because we decided to limit our youth work while we piloted a way to deliver it more effectively. This pilot has proved very successful.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

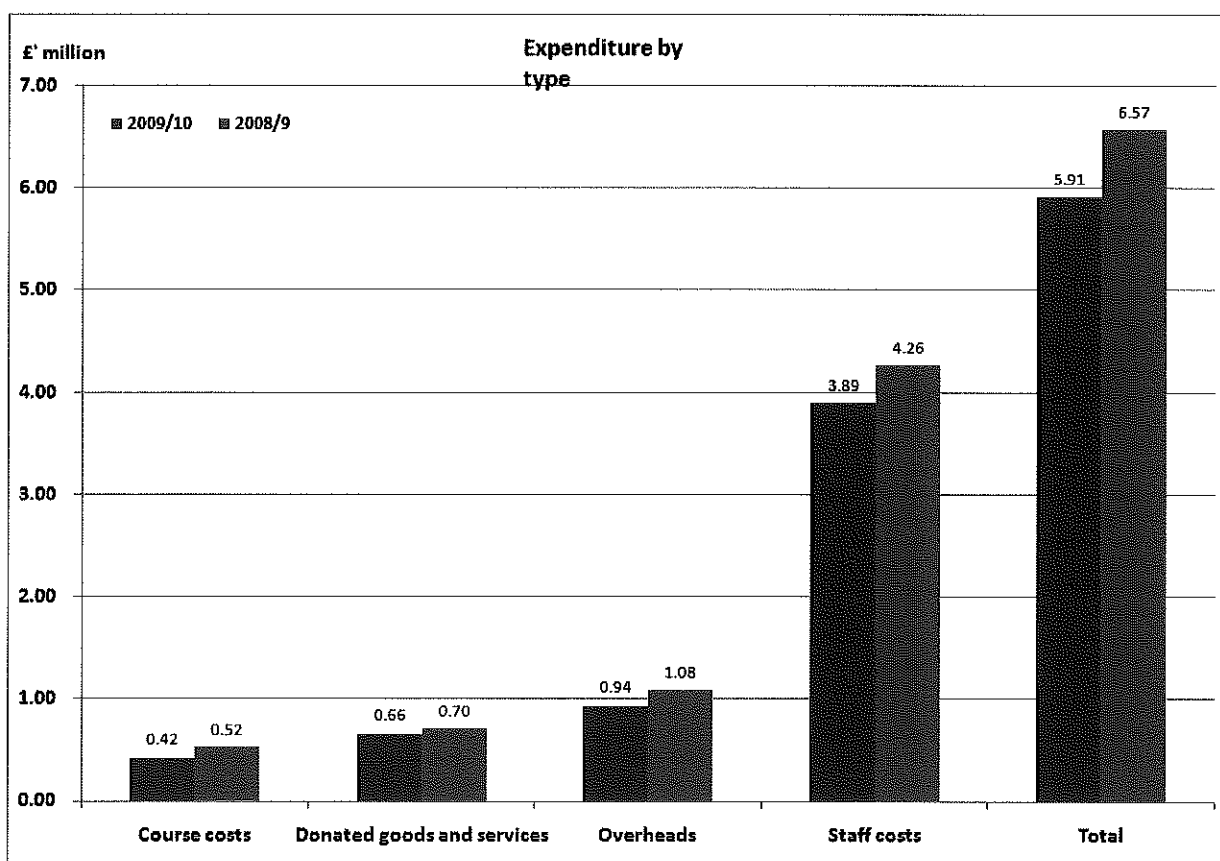
FOR THE YEAR ENDED 31 JULY 2010

9. REVIEW OF FINANCIAL ACTIVITIES (continued)

Expenditure

Total expenditure in 2009/10 amounted to £5,914,149 compared with £6,574,196 in 2008/9, a decrease of £660,047 (10%). Expenditure by activity is shown in the Statement of Financial Activities on page 22.

Expenditure by type, rather than activity, for 2009/10 compared with 2008/9, is shown below.



Staff costs, including temporary staff, account for approximately 74% of total expenditure, excluding donated goods and services. During 2009/10, staff costs decreased by 8.6% mainly due to a decrease in staff numbers. Average staff numbers fell from 125 in 2008/9 to 113 in 2009/10. The reduction in staff numbers was initiated in anticipation of a decline in course fees.

Overheads fell by 12.7% due to lower staff numbers and fewer courses being run in the UK.

Course costs also fell by 20% and donated goods and services contribution decreased by 9% due to decline in open course business activity. Customised courses are more cost effective.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

10. RESERVES POLICY

The policy of the Trustees is to build up a level of reserves, which would enable the group to meet ongoing liabilities in the event of serious interruption to income, recession or even closure. The unrestricted reserve levels at the end of July 2010 were £610,125 and restricted £48,705.

The Trustees have set a target for reserves to achieve 15% of cash expenditure excluding cost recharges for the next two years. Based on the current level of expenditure this would equate to reserves of approximately £787,000 or 1.8 months. Although the current level of reserves is £658,837 (12.5% or 1.5 months) the Trustees consider that the current level of reserves is adequate in the current environment.

11. REFERENCE AND ADMINISTRATIVE DETAILS:

Charity number: 1023384
Company number: 2832875
Registered office: Discovery House
28-42 Banner Street
London
EC1Y 8QE

12. 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
Solicitors Simmons and Simmons, CityPoint, One Ropemaker Street,
London EC2Y 9SS

13. TRUSTEES AND DIRECTORS

Sir David Bell (Chair)
Jude Kelly – resigned 15 July 2010
Richard Charkin
Kuben Naidoo
Diana Parker
Philip Wright
John Inge
Chris Mathias
Andrew Cubie
Miriam Mulcahy
Mark Linder
Rudolfo Bogni
Peter Kulloi
Albert Tucker - appointed 1 July 2010

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

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

13. TRUSTEES AND DIRECTORS

Chief Executive Officer

Julia Middleton

14. STRUCTURE, GOVERNANCE AND MANAGEMENT:

Governing Document and Constitution

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

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 Charitable Trust 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 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.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

14. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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
- 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.

COMMON PURPOSE CHARITABLE TRUST

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2010

15. 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 CHARITABLE TRUST**

We have audited the financial statements of Common Purpose Charitable Trust for the year ended 31 July 2010 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group 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:

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
COMMON PURPOSE CHARITABLE TRUST**

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.

Richard 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 CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (including 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	2,011
External income of trading subsidiary	4	58,144	-	58,144	102,341
<i>Incoming resources from charitable activities</i>					
Course fees		4,224,701	-	4,224,701	5,221,215
Local sponsors		114,090	13,431	127,521	241,034
Project Income		310,640	127,380	438,020	153,276
Income from non-UK bodies		258,332	-	258,332	133,847
Other Income		108,156	-	108,156	16,321
Total incoming resources		5,734,586	140,811	5,875,395	6,574,622
Resources expended					
<i>Charitable activities:</i>					
Youth courses		370,304	13,626	383,930	288,571
Open courses		4,502,230	-	4,502,230	5,408,362
Customised courses		628,904	-	628,904	487,316
International Projects		21,047	78,480	99,527	184,095
Other		227,807	-	227,807	145,312
<i>Governance</i>		71,751	-	71,751	60,540
Total resources expended	6	5,822,033	92,106	5,914,149	6,574,196
Net movement in funds		(87,459)	48,705	(38,754)	426
Fund balances brought forward at 1 August 2009		697,584	-	697,584	697,158
Fund balances carried forward at 31 July 2010		610,125	48,705	658,830	697,584

All transactions are derived from continuing activities.

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

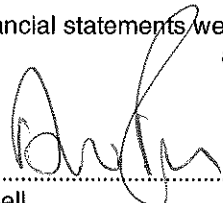
THE COMMON PURPOSE CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET

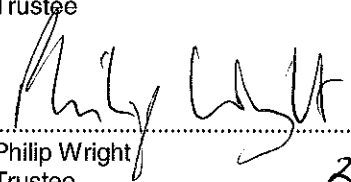
AS AT 31 JULY 2010

	Note	£	2010	£	£	2009	£
FIXED ASSETS							
Intangible fixed assets	7a			24,032			22,785
Tangible fixed assets	7b			30,587			53,154
				<u>54,619</u>			<u>75,939</u>
CURRENT ASSETS							
Debtors	8	1,114,370			1,260,730		
Cash at bank and in hand		14,353			98,170		
Total current assets		<u>1,128,723</u>			<u>1,358,900</u>		
Creditors: amounts falling due within one year	9a	438,271			503,230		
Deferred income	10	86,241			234,025		
		<u>524,512</u>			<u>737,255</u>		
Net current assets				<u>604,211</u>			<u>621,645</u>
TOTAL ASSETS LESS LIABILITIES				<u>658,830</u>			<u>697,584</u>
RESERVES							
Unrestricted funds				610,125			697,584
Restricted funds				48,705			-
				<u>658,830</u>			<u>697,584</u>

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



 David Bell
 Trustee



 Philip Wright
 Trustee

22 March 2011

THE COMMON PURPOSE CHARITABLE TRUST

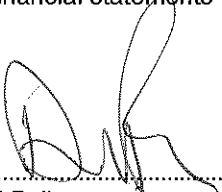
BALANCE SHEET (TRUST ONLY)

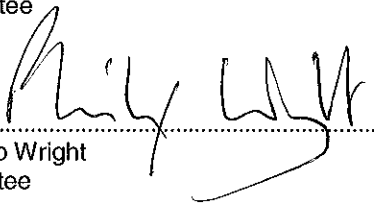
AS AT 31 JULY 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible Fixed Assets		-	-
Intangible Fixed Assets		-	-
		<u>-</u>	<u>-</u>
CURRENT ASSETS			
Debtors	8	648,144	144,043
Cash in bank		612	674
		<u>648,756</u>	<u>144,717</u>
CREDITORS: Amounts falling due within one year	9a	<u>541,602</u>	<u>143,505</u>
NET CURRENT ASSETS		107,154	1,212
CREDITORS: Amounts falling due in more than one year	9b	<u>-</u>	<u>-</u>
TOTAL ASSETS LESS LIABILITIES		<u><u>107,154</u></u>	<u><u>1,212</u></u>
FUNDS			
Unrestricted general fund		<u><u>107,154</u></u>	<u><u>1,212</u></u>

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

22 March 2011


.....
David Bell
Trustee


.....
Philip Wright
Trustee

THE COMMON PURPOSE CHARITABLE TRUST

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 JULY 2010

	Note	2010 £	2009 £
Net cash (outflow) from operating activities	11	(50,398)	(109,192)
Returns on investments and servicing of finance			
Interest received		47	2,011
Capital expenditure			
Payment to acquire tangible fixed assets		(33,466)	(33,167)
(Decrease) in cash		<u>(83,817)</u>	<u>(140,348)</u>

THE COMMON PURPOSE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 period comprising tuition fees, local sponsors, Your Turn funding, bursaries, Profile, Navigator income, 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 period 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 6b 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 and amortisation**

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

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

Amortisation on trademarks is calculated on an annual basis over five years.

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

(f) **Leased assets**

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

(g) **Basis of consolidation**

The group financial statements consolidate the financial statements of The Common Purpose Charitable Trust, Common Purpose UK, Common Purpose International and Civilia Ltd. No statement of financial activities is presented for The Common Purpose Charitable Trust as provided by the Companies Act 2006. The Common Purpose Charitable Trust made a surplus of £105,942 in the year (2008/9: surplus £100).

COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

2. NET MOVEMENT IN FUNDS – Group and Trust	2010	2009
	£	£
The net movement in funds is arrived at after charging:		
Depreciation and amortisation	54,786	83,010
Auditors' remuneration	14,000	13,500
Operating lease rentals – land and buildings	135,725	118,718
Operating lease rentals – equipment	8,400	7,982
	<u> </u>	<u> </u>
3. STAFF NUMBERS AND EMOLUMENTS – Group and Trust	Number	Number
The average number of persons employed by the group during the year was:		
Courses	82	87
Other	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>
Total	7	5
	<u> </u>	<u> </u>
4. RESULTS FROM TRADING SUBSIDIARY		

Civilia Limited is a wholly owned subsidiary of Common Purpose International which is incorporated in the UK and manages the licensing arrangements and the provision of services to the Common Purpose licensees. The company covenants its taxable profits to The Common Purpose Charitable Trust.

PROFIT AND LOSS ACCOUNT	2010	2009
	£	£
Turnover - see note below	1,110,353	672,681
Administration expenses	(604,717)	(614,945)
Interest received	-	99
	<u> </u>	<u> </u>
Profit for the year	505,636	57,835
Taxation credit/(charge)	-	-
Deed of covenant	(505,636)	(57,835)
	<u> </u>	<u> </u>
Retained profit for the year	-	-
	<u> </u>	<u> </u>

COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

4. RESULTS FROM TRADING SUBSIDIARY (continued)

	2010 £	2009 £
Turnover comprises:		
External income from customised courses	710,093	326,564
External income from licence fees	58,144	102,341
Income from group charities	342,116	243,776
	<u>1,110,353</u>	<u>672,681</u>
Total turnover	<u>1,110,353</u>	<u>672,681</u>

The balance sheet of Civilia Limited show net current assets and reserves of £1 for the current and prior years.

4a. RESULTS OF CHARITABLE SUBSIDIARIES

Common Purpose Charitable Trust has two charitable subsidiaries, Common Purpose UK and Common Purpose International. A summary of their results is shown below.

	Common Purpose UK		Common Purpose International	
	2010 £	2009 £	2010 £	2009 £
Incoming resources				
Incoming resources from generated fund	660,521	706,307	32,750	116,286
Incoming resources from charitable activities	4,329,945	5,146,905	-	-
Cost recoveries from related entities	1,064,820	833,490	-	-
	<u>6,055,286</u>	<u>6,686,702</u>	<u>32,750</u>	<u>116,286</u>
Total income	6,055,286	6,686,702	32,750	116,286
Resources expended				
Charitable activities	5,098,893	5,825,542	112	95,036
Expenditure incurred in respect of related entities	1,064,825	833,490	-	-
Governance costs	67,601	47,347	1,300	1,250
	<u>6,231,319</u>	<u>6,706,379</u>	<u>1,412</u>	<u>96,286</u>
Total resources expended	6,231,319	6,706,379	1,412	96,286
Net movement in funds	<u>(176,033)</u>	<u>(19,677)</u>	<u>31,338</u>	<u>20,000</u>
Assets	1,206,327	1,410,129	56,600	87,973
Liabilities	(647,836)	(675,605)	(63,416)	(126,127)
Net funds	<u>558,491</u>	<u>734,524</u>	<u>(6,816)</u>	<u>(38,154)</u>

5. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

Group and Trust

No emoluments were paid, nor expenses reimbursed, to the trustees during the year (2008/9: nil).

COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

6. ANALYSIS OF RESOURCES EXPENDED	Direct costs £	Support Costs £	Total 2010 £	Total 2009 £
Youth courses	368,637	15,293	383,930	288,571
Open courses	3,522,860	979,370	4,502,230	5,408,362
Customised courses	484,207	144,697	628,904	487,316
International projects	99,527	-	99,527	184,095
Other	227,807	-	227,807	145,312
Governance	14,000	57,751	71,751	60,540
	<u>4,717,038</u>	<u>1,197,111</u>	<u>5,914,149</u>	<u>6,574,196</u>
6a. ANALYSIS OF SUPPORT COSTS				
	Finance and HR costs £	Office costs £	2010 Total £	2009 Total £
Youth courses	5,435	9,858	15,293	22,878
Open courses	294,791	684,579	979,370	1,228,957
Customised courses	28,162	116,535	144,697	31,374
International projects	-	-	-	-
Governance	-	57,751	57,751	47,040
	<u>328,388</u>	<u>868,723</u>	<u>1,197,111</u>	<u>1,330,249</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. The increase in governance cost is due to higher inter-office transfer cost which increased the overhead allocation to governance cost.

7a. TANGIBLE FIXED ASSETS

	Software Costs £	Group Trade Marks £	Total £
COST			
At 31 July 2009	67,076	20,362	87,438
Additions	9,600	3,151	12,751
Transfer (to)/from tangible fixed assets	(7,140)	(1,643)	(8,783)
At 31 July 2010	<u>69,536</u>	<u>21,870</u>	<u>91,406</u>
AMORTISATION			
At 31 July 2009	56,678	7,975	64,653
Charge for year	13,309	4,541	17,850
Transfer (to)/from tangible fixed assets	(13,486)	(1,643)	(15,129)
At 31 July 2010	<u>56,501</u>	<u>10,873</u>	<u>67,374</u>
NET BOOK VALUE			
At 31 July 2010	<u>13,035</u>	<u>10,997</u>	<u>24,032</u>
At 31 July 2009	<u>10,398</u>	<u>12,387</u>	<u>22,785</u>

COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

7b. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Group Computer equipment £	Total £
COST			
At 31 July 2009	119,313	1,141,051	1,260,364
Additions	838	19,877	20,715
Transfer (to)/from intangible fixed assets	1	(6,343)	(6,342)
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	1,091,255	1,207,210
Charge for year	1,954	34,982	36,936
Transfer (to)/from intangible fixed assets	1	3	4
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>3,358</u>	<u>49,796</u>	<u>53,154</u>

All the fixed assets are used for direct charitable activities.

8. DEBTORS

	Group		Trust	
	2010 £	2009 £	2010 £	2009 £
Other debtors	451,173	420,817	99,500	44,500
Prepayments	39,268	35,067	-	-
Prepaid marketing material	26,507	29,133	-	-
Tuition fees and sponsorship income	597,422	775,713	-	-
Amounts due from related undertakings	-	-	548,644	99,543
	<u>1,114,370</u>	<u>1,260,730</u>	<u>648,144</u>	<u>144,043</u>

The increased in the other debtors is mainly due to higher customised accrued income at the year end.

9a. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Trust	
	2010 £	2009 £	2010 £	2009 £
Sundry creditors and accruals	251,976	292,124	10,000	-
Other taxes and social security	186,295	211,106	-	-
Amounts due to related undertakings	-	-	531,602	143,505
	<u>438,271</u>	<u>503,230</u>	<u>541,602</u>	<u>143,505</u>

COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

9b. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	Trust		
	2010	2009	
	£	£	
Amounts due to related undertakings	-	-	
	<u> </u>	<u> </u>	
10. DEFERRED INCOME	Group		
	2010	2009	
	£	£	
Courses due to commence in subsequent year	86,241	234,025	
	<u> </u>	<u> </u>	
Deferred income relates to work due to be undertaken in the coming year. The brought forward deferred income has been released into the current year's Statement of Financial Activities.			
11. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	Group		
	2010	2009	
	£	£	
Net increase/(decrease) in funds	(38,754)	426	
Interest received	(47)	(2,011)	
Depreciation and amortisation	54,786	83,009	
(Increase)/decrease in debtors	146,360	(121,735)	
(Decrease)/increase in creditors	(212,743)	(68,881)	
	<u> </u>	<u> </u>	
Net cash (outflow) from operating activities	(50,398)	(109,192)	
	<u> </u>	<u> </u>	
12. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	2009	Group	2010
	£	Change in year	£
		£	
Cash at bank and in hand	98,170	(83,817)	14,353
	<u> </u>	<u> </u>	<u> </u>
13. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted	Unrestricted	Total
	Funds	Funds	Funds
	£	£	£
Fixed assets	-	54,619	54,619
Current assets	48,705	1,080,018	1,128,723
Current liabilities	-	(524,512)	(524,512)
	<u> </u>	<u> </u>	<u> </u>
	48,705	610,125	658,830
	<u> </u>	<u> </u>	<u> </u>

COMMON PURPOSE CHARITABLE TRUST

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2010

14. 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 £
More one year and less 5 years	411,250	499,375
	<u> </u>	<u> </u>
	2010 Equipment £	2009 Equipment £
More one year and less 5 years	33,600	3,756
	<u> </u>	<u> </u>

15. RELATED PARTY TRANSACTIONS WITH GROUP COMPANIES

As permitted by FRS8, no disclosures are made in these accounts of intergroup transactions or balances eliminated on consolidation.