

COMMON PURPOSE INTERNATIONAL
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2008

Charity registered number: 1056573
Company registered number: 3207453

**COMMON PURPOSE INTERNATIONAL
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2008**

CONTENTS	Page
Report of the trustees	1-4
Independent Auditors' Report	5
Statement of financial activities	6
Balance sheet	7
Notes to financial statements	8-11

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2008

The trustees, who are also directors, submit their report together with the audited financial statements for the year ended 31 July 2008 prepared in accordance with SORP 2006 and the Companies Act 1985.

DIRECTORS, TRUSTEES AND COMPANY DETAILS:

NAME OF THE CHARITY

Common Purpose International
(Common Purpose International has dispensation from the relevant authorities to omit 'Limited' from its name).

CHARITY REGISTRATION NUMBER

1056573

COMPANY REGISTRATION NUMBER

3207453

REGISTERED OFFICE

Discovery House
28-42 Banner Street
London EC1Y 8QE

TRUSTEES AND DIRECTORS

Sir David Bell (Chair)
Tarek Ben Halim
Rudi Bogni
Rashmi Thakrar
Bill Knight (Appointed 28 October 2008)
Peter Kulloi (Appointed 28 February 2008)
Philip Wright (Resigned 23 July 2008)

All served throughout the year ended 31 July 2008, unless indicated otherwise.

CHIEF EXECUTIVE OFFICER

Alison Coburn

INDEPENDENT AUDITORS

haysmacintyre
Chartered Accountants
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 INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT:

GOVERNING DOCUMENT

The governing document of Common Purpose International ("the Company") is the Memorandum and Articles of Association.

CONSTITUTION

Common Purpose International is a company limited by guarantee with charitable status.

METHODS ADOPTED FOR THE RECRUITMENT AND APPOINTMENT OF TRUSTEES

We encourage people interested in becoming trustees to apply on our web site. 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. The appointment of trustees is also approved by the trustees of the Common Purpose Charitable Trust as Common Purpose International is its subsidiary.

POLICIES AND PROCEDURES FOR TRAINING AND INDUCTION OF TRUSTEES

All Trustees undergo an induction, which is tailored to suit their individual requirement. Each new Trustee receives a Trustee Information Pack, which informs them of their role, the management structure and systems in place. New Trustees are invited to attend a programme day to see Common Purpose in action, as well as participating in other Common Purpose events.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The charitable company is run by the Chief Executive, Alison Coburn, who reports to the board of trustees, (currently 6 in number) chaired by Sir David Bell, which meets quarterly. Common Purpose International is a subsidiary of the Common Purpose Charitable Trust.

The strategic direction of the charitable company is set by the trustees. The Chief Executive leads the staff team and is responsible for the management of the organisation.

The Company was established in 1996 alongside The Common Purpose Charitable Trust, which is a company limited by guarantee, registered in England and Wales under company number 2832875 ("CPCT") of which David Bell is a trustee.

RISK REVIEW STATEMENT

The trustees have considered the major risks to the charity and have implemented improvements to the systems and controls to mitigate the risks identified wherever practicable.

The ability of the charity to continue to operate is dependant upon the identifying and securing grants and sponsorship to fund the international development activities. In addition, the Company is dependant upon Common Purpose UK, a related charity, not to require repayment of the amounts due, or in the event that repayments is required, that the parent charity will provide the necessary facilities to enable the charity to continue to operate and to meet its liabilities.

OBJECTIVES AND ACTIVITIES:

OBJECTS

The Company's objects are 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 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, provided always that nothing contained herein shall authorise or be deemed to authorise the carrying on of any activity for any purposes save those regarded as charitable by the Laws of England and Wales.

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2008

AIMS

The company's aims are to improve the way society works by expanding the vision, decision-making ability and influence of all kinds of leaders.

SUMMARY OF THE MAIN OBJECTIVES FOR THE YEAR

Organisational objectives are set annually which have the continued growth of the organisation as their underpinning purpose. The organisational objective for the financial year ended 31 July 2008 was the development of new Common Purpose organisations and programmes internationally.

ACTIVITIES THAT ARE UNDERTAKEN TO MEET THE OBJECTS, AIMS AND OBJECTIVES

The above objects, aims and objectives are achieved through the development of a range of educational programmes for leaders and decision makers outside the UK. The activities undertaken by Common Purpose International to develop and support new organisations outside the UK that run these programmes were as follows:

- Research and development work in the cities/countries where programmes were being started
- Training, support and advice to local staff teams on curriculum and programme management, organisational development and systems, and the running of programmes.

ACHIEVEMENTS AND PERFORMANCE: - PROGRESS AGAINST OBJECTIVES

Development work was undertaken and new organisations established in France, Turkey, India and Ghana. Development work was also done in Israel to explore the potential for programmes in mixed cities.

OVERVIEW OF THE FINANCIAL POSITION

Details of the results for the year are given in the statement of financial activities on page 6. The net movement in unrestricted funds for the year ended 31 July 2008 was a deficit of £1,289 (2007: deficit of £38). The net movement in restricted funds was a deficit of £207,615 (2007: deficit of £23,414). At 31 July 2008, total restricted funds amounted to £nil. The deficit that arose during the year was offset against the surplus, of £207,615, brought forward from prior years.

Subsequent to the year end, a repayment schedule has been agreed with Common Purpose UK to repay, over a three year period, £61,775 of the total amount due. This amount was shown as due after more than one year in the prior year. Common Purpose Charitable Trust has committed to provide equivalent funding to the company to enable these repayments to be made.

PLANS FOR THE FUTURE

Common Purpose continues to seek to be at the leading edge of leadership development working with leaders from all sectors at all stages of their careers. Common Purpose is continually developing and improving the programmes and activities it delivers to ensure that they remain relevant and challenging to the leaders of today and the future. A key priority for the next phase of growth is to continue to develop new Common Purpose organisations and programmes internationally.

RESERVES POLICY

Common Purpose International manages its activities so as to at least cover its costs and as a result any increase in the reserves over the long term are expected to be minimal.

COMMON PURPOSE INTERNATIONAL

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 JULY 2008

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company 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 the 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

INDEPENDENT AUDITORS

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

By order of the Board of Trustees on 20 May 2009.



Trustee

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

We have audited the financial statements of Common Purpose International for the year ended 31 July 2008, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees are also directors of Common Purpose International for the purposes of company law.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' 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 charitable company'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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 July 2008 and of its incoming resources and application of resources in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information contained within the Trustees' Report is consistent with the financial statements.

haysmacintyre
haysmacintyre
Chartered Accountants
Registered Auditors

22 May 2009

Fairfax House
15 Fulwood Place
London
WC1V 6AY

COMMON PURPOSE INTERNATIONAL

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

YEAR ENDED 31 JULY 2008

	Note	Unrestricted funds 2008	Restricted funds 2008	Total funds 2008 £	Total funds 2007 £
Incoming resources					
<i>Incoming resources from charitable activities</i>					
International Project income		70,091	210,199	280,290	459,365
Service charges		-	-	-	21,868
Income from Common Purpose Charitable Trust		-	-	-	25,000
Other		2,771	-	2,771	3,873
Total incoming resources		<u>72,862</u>	<u>210,199</u>	<u>283,061</u>	<u>510,106</u>
Resources expended					
<i>Charitable activities</i>					
International project activities		72,901	417,814	490,715	532,958
<i>Governance costs</i>		1,250	-	1,250	600
Total resources expended	3	<u>74,151</u>	<u>417,814</u>	<u>491,965</u>	<u>533,558</u>
Net movement in funds		(1,289)	(207,615)	(208,904)	(23,452)
Fund balances brought forward at 1 August 2007		<u>(56,865)</u>	<u>207,615</u>	<u>150,750</u>	<u>174,202</u>
Fund balances carried forward at 31 July 2008		<u>(58,154)</u>	<u>-</u>	<u>(58,154)</u>	<u>150,750</u>

All transactions are derived from continuing operations.

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

COMMON PURPOSE INTERNATIONAL

BALANCE SHEET

AS AT 31 JULY 2008

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Investments	4		1		1
CURRENT ASSETS					
Debtors	5	127,542		324,039	
Cash at bank and in hand		4,378		19,254	
		<u>131,920</u>		<u>343,293</u>	
CREDITORS: Amounts falling due within one year					
Creditors	6	<u>(190,075)</u>		<u>(130,769)</u>	
NET CURRENT(LIABILITIES)/ASSETS			(58,155)		212,524
CREDITORS: Amounts falling due in more than one year					
	7		-		(61,775)
NET (LIABILITIES)/ASSETS			<u>(58,154)</u>		<u>150,750</u>
FUNDS					
Restricted fund	8		-		207,615
Unrestricted general fund			(58,154)		(56,865)
Total funds			<u>(58,154)</u>		<u>150,750</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 20 May 2009 and were signed below on its behalf by:



Trustee

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2008

1. ACCOUNTING POLICIES

Accounting basis

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 2007), with applicable accounting standards and the Companies Act 1985.

The financial statements have been prepared on a going concern basis assuming that the parent charity will continue to provide the necessary facilities to enable the charity to continue to operate and to meet its liabilities.

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.

Incoming resources

Incoming resources represent the total income during the year comprising project income, service charges, income from CPCT and other income which are recognised on a receivable basis.

Resources expended

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

Direct costs of international project activities are charged to the expenditure heading of that name 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 3b 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.

Consolidation

The charitable Company has taken advantage of the exemption given by Section 248 of the Companies Act 1985 not to prepare consolidated financial statements on the grounds that the charitable Company and its subsidiary are consolidated within the financial statements of the ultimate parent company, Common Purpose Charitable Trust, a company incorporated in England and Wales.

Cashflow statement

The company has taken advantage of the exemptions provided by FRS1 and not prepared a cashflow statement.

2. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

No emoluments were paid, nor expenses reimbursed, to the trustees during the current, or prior, year.

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2008

3a ANALYSIS OF RESOURCES EXPENDED	Direct costs £	Support costs £	Total 2008 £	Total 2007 £
International project activities	459,059	31,656	490,715	532,958
Governance costs	-	1,250	1,250	600
	<u>459,059</u>	<u>32,906</u>	<u>491,965</u>	<u>533,558</u>

Net incoming resources are shown after a recharge of £1,250 (2007: £600) from a related company in respect of audit costs.

The Company commissioned the services of several staff from Common Purpose UK to undertake the development and support activities. The cost charges from Common Purpose UK principally comprise salary costs. Common Purpose UK is a related undertaking

3b ANALYSIS OF SUPPORT COSTS	International project activities £	Governance £	Total 2008 £
Finance and Human Resources	<u>31,656</u>	<u>1,250</u>	<u>32,906</u>

Finance and HR costs are allocated on the basis of net contribution made towards UK service charges.

4. INVESTMENTS

	2008 £	2007 £
Investment in trading subsidiary	<u>1</u>	<u>1</u>

Civilia Ltd a company registered in England, is a wholly owned subsidiary of Common Purpose International and covenants its entire profits as computed for corporation tax purposes to its ultimate parent, The Common Purpose Charitable Trust. The nature of the business is managing the licensing arrangements and the provision of services to the Common Purpose licensees.

For the year ended 31 July 2008 Civilia Ltd made an operating profit of £126,580, and £127,742 was covenanted to The Common Purpose Charitable Trust. At 31 July 2008, net assets of Civilia Ltd were £1.

A summary of results of the trading subsidiary is shown below:

Profit and loss account	2008 £	2007 £
Turnover	277,886	40,938
Administrative expenses	(151,417)	(2,056)
Interest received	111	-
Profit	<u>126,580</u>	<u>38,882</u>
Amounts covenanted to The Common Purpose Charitable Trust	(127,742)	(37,348)
Taxation	1,162	(1,484)
Profit retained in subsidiary	<u>-</u>	<u>-</u>

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2008

4. INVESTMENTS - continued		2008	2007	
Balance sheet				
Fixed Assets		48,672	-	
Cash In Bank		379	3,324	
Debtors		120,737	46,114	
Creditors		(169,787)	(49,437)	
		<u>1</u>	<u>1</u>	
Share capital		<u>1</u>	<u>1</u>	
5. DEBTORS		2008	2007	
		£	£	
Sponsors		36,051	18,206	
Amounts due by The Common Purpose Charitable Trust		-	40,000	
Accrued Income and deferred expenses		88,692	265,833	
Other debtors		2,829	-	
		<u>127,572</u>	<u>324,039</u>	
6. CREDITORS: AMOUNTS DUE WITHIN ONE YEAF		2008	2007	
		£	£	
Amounts owed to related undertaking (Common Purpose UK)		190,075	130,769	
		<u>190,075</u>	<u>130,769</u>	
<p>The balance with Common Purpose UK is showed as repayable within one year reflecting circumstances at 31 July 2008. Subsequently, a repayment schedule has been agreed with Common Purpose UK to repay, over a three year period, £61,775 of the total amount due. This amount was shown as due after more than one year in the prior year.</p>				
7. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR		2008	2007	
		£	£	
Amounts owed to related undertaking (Common Purpose UK)		-	61,775	
		<u>-</u>	<u>61,775</u>	
8. RESTRICTED FUNDS	Balance at 31 July 2007	Incoming Resources	Outgoing Resources	Balance at 31 July 2008
	£	£	£	£
Vodafone (To develop programmes in five countries)	207,615	210,199	417,814	-
	<u>207,615</u>	<u>210,199</u>	<u>417,814</u>	<u>-</u>

COMMON PURPOSE INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JULY 2008

9. ULTIMATE PARENT UNDERTAKING

Common Purpose International is a subsidiary of the Common Purpose Charitable Trust, a company registered in England, number 2832875 and a registered charity number 1023384, which head the largest and smallest group for which consolidated financial statements are prepared. The company has taken advantage of the exemption available within FRS8 not to disclose transactions with greater than 90% members of the Common Purpose Group.

Consolidated financial statements for The Common Purpose Charitable Trust are available to the public from Companies House, Crown Way and Cardiff, CF4 3UZ.