

CCCU-UK

(A company limited by guarantee)

Company Number: 04026626

Charity Number: 1085493

Accounts

for the year ended

30 June 2020

Wenn Townsend

Chartered Accountants

Oxford

CCCU-UK

Reference and Administrative Details

Trustees:

M Bolton
S Hoogstra
S Mullen
C Pollard

Programme Director:

S Rosenberg

Business Address:

8 Norham Gardens
Oxford
OX2 6QB

Registered Office:

30 St Giles
Oxford
OX1 3LE

Bankers:

Barclays Bank plc
54 Cornmarket Street
Oxford
OX1 3HB

Svenska Handelsbanken
Oxford Parkway Branch
Latimer House
Langford Locks
Kidlington
Oxford
OX5 1GG

Solicitors:

Knights Professional Services Ltd
Midland House
West Way
Botley
Oxford
OX2 0PH

Auditor:

Wenn Townsend
30 St Giles'
Oxford
OX1 3LE

INDEX

| | Page |
|------------------------------------|-------------|
| Trustees' Report | 1 - 4 |
| Report of the Independent Auditors | 5 - 6 |
| Statement of Financial Activities | 7 |
| Balance Sheet | 8 |
| Statement of Cash Flows | 9 |
| Notes to the Accounts | 10 - 21 |

**Report of the Trustees
for the year ended 30 June 2020**

The Trustees present their report and the audited financial statements of the charity for the year ended 30 June 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the Charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

J Barnes (resigned 10 August 2020)

K Graybill (resigned 8 July 2019)

S Hoogstra

C Pollard

M Bolton (appointed 8 July 2019)

S Mullen (appointed 10 August 2020)

Objectives and Activities

The objects of the Charity are as follows:

- to run, manage, or conduct for the benefit of the public at moderate fees, an educational centre for British and overseas students of a university standard and for other advanced scholars and professional persons which will specialise in Arts and Sciences.
- to organise lectures, tutorials, field trips, seminars, and co-curricular activities relating to any aspects of the study of Arts and Sciences.
- to organise lectures, tutorials, faculty exchanges, conferences and seminars, and other appropriate academic activities for the students, scholars and professional persons relating to any aspect of the study of Arts and Sciences.
- to advance currently held grant-funded research and advanced training projects and develop new projects including those with the Templeton Foundation and the Greens Scholars Initiative.

The objectives of the Charity are met by regular meetings of the Board of Trustees, senior officials and advisors who decide on strategy and development. The charitable company seeks to benefit the public through its aims.

The charity's main objectives for the year were as follows:

- to continue to enhance the academic offerings of the programme by adding new academic disciplines
- to continue to explore advance study opportunities for our faculty through grant funding projects
- expand the resources available to programme alumni through which they can receive graduate and post-graduate grants
- to manage continuing and newly-awarded grant-funded projects offered to faculty and students
- to continue to find new and different ways to partner with Wycliffe Hall

Public Benefit Statement

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Fundraising standards information

The charity does not carry out significant public fundraising activities, and no professional fundraisers are used by the charity.

Achievements and Performance

Over the past year, we have seen the continuing development of existing student programmes and continued two major grant-funded projects. SCIO has also laid the groundwork for developing new grant funded initiatives. Our programmes have been successfully operating in Oxford since 2000 as the CCCU-UK, and nine years prior to that via the US parent corporation, and we have seen many changes as we continue to improve our performance each year.

**Report of the Trustees (continued)
for the year ended 30 June 2020**

Achievements and Performance (continued)

In the last year we have seen the following achievements and accomplishments:

- In a very difficult year, as all experienced, marked by the major challenges of COVID 19, SCIO successfully weathered the many challenges including economic, educational, corporate partnerships, and pivoting to teach out the Spring term remotely after sending students home 1 month early;
- Successfully enrolled 86 students in the onsite programme, Scholars Semester in Oxford;
- Created a new online version of the Oxford Summer Programme since Covid precluded holding an onsite programme, enrolling 14 students in 18 seminars;
- Delighted to discover that these seminars reached and supported new classes of students who were previously unable to participate in onsite programmes due to disabilities, financial burdens, etc;
- Used the pivot to an online summer programme to create a new online programme offering individual tutorial seminars, to be provided throughout the year as an additional revenue stream which serves during Covid-restrictions but also promising substantial long-term opportunity as an ongoing revenue stream;
- Reduced overhead costs to conserve cash amid the challenging work environment;
- Continued to advance the recognition of faculty from SCIO itself and CCCU member institutions in their academic field;
- Continued acceptance of programme alumni into major graduate universities;
- Continuation of Logos, a grant-funded project organised on behalf of the Museum of the Bible;
- Applied for and won a planning grant of \$234,000 from the John Templeton Foundation for *Supporting Structures*, to develop a multimillion dollar project to support STEM research among early career faculty;
- Initiated the activity for the *Supporting Structures* planning grant including developing and submitting a grant proposal in excess of \$2.1m to the John Templeton Foundation (subsequently awarded just after the close of the fiscal year);
- Brought to conclusion the work on the project, 'Co-creating Ourselves' funded by the John Templeton Foundation;
- Continued to enjoy academic staff publishing scholarly work, participating in appropriate academic communities, and being recognised as valued scholars in their relevant fields;
- Seen a substantial number of alumni of SSO and OSP taking faculty posts in universities and other professional positions, and seen former junior academic staff receiving postdoctoral positions and faculty posts in leading universities;
- Academic staff have received recognition in their respective fields and produced notable scholarly outputs.

Financial Review

Total movement in funds in the year were £225,708 (2019: £1,147).

Total incoming resources were £2,093,647 (2019: £2,257,162) of which £1,148,837 related to tuition fees and £269,061 to accommodation fees.

Total resources expended were £1,867,939 (2019: £2,256,015). See note 3 for further details.

Details of the funds available to CCCU-UK and how they have been applied are reported on the Balance Sheet. Movements on such funds are reported in the Statement of Financial Activities.

Due to updated guidance from the USS pension scheme about its pension deficit, the CCCU-UK is recording a liability based on estimates of future personnel wages and other future conditions. This liability is subject to change periodically on actuarial valuation, and payable over the next 15 years as a percentage of wages.

Risk and Reserves

The Trustees are required to consider on a regular basis the risks facing the Charity and the systems and actions required to mitigate these risks; as well as the question of appropriate reserves.

The Charity is presently not in a position to hold free reserves but may consider such reserves in the future.

**Report of the Trustees (continued)
for the year ended 30 June 2020**

Risk and Reserves (continued)

The Trustees have noted that the principal risks facing the Charity relate to:

- financial uncertainty in the midst of the current economy
- exchange rate uncertainty between the US dollar and the British pound
- financial aid policy changes at many sending institutions make it difficult for students to attend the programme
- dependence upon tuition fees amid uncertain enrolment climate
- the potential disruption of activity due to possible policy changes for student programmes at the University of Oxford
- the uncertain impact upon SCIO's partner, Wycliffe Hall, due to the changing educational dynamics related to University of Oxford and the Church of England

Plans for future periods

For the coming year the Charity is focused on the following key objectives:

- Continue to sustain our activity amid the challenging Covid-shaped environment;
- Reduce overhead costs, conserve cash, reconsider workforce needs, and retain core talent and strengths;
- Review and enhance the focus on undergraduate research activity in the two student programmes, SSO and OSP;
- Develop new online opportunities, consolidating lessons learned in the summer online programme;
- Redevelop academic curriculum to fit the changing educational scenarios;
- Negotiate fresh arrangements and a revised partnership agreement with Wycliffe Hall in light of changes at the University of Oxford;
- Enhancing student enrolments, continuing to build and maintain strong links with sending institutions;
- Continue Logos and related Museum of the Bible funded-grant projects;
- Develop the next stage of funded science and religion research project, *Supporting Structures*;
- Continuing growth of CCCU-UK activities in the Oxford academic community;
- Supporting academic staff in their scholarly production and engagement.

Structure, Governance and Management

CCCU-UK is a charitable company, company number 4026626, and registered charity number 1085493.

The Charity is governed by the Memorandum and Articles of Association, established under the Companies Act 2006. The company is limited by guarantee without share capital.

The Board consists of between two and five Trustees appointed by the members at an Annual General Meeting of the members. In between AGMs the Trustees may co-opt a Trustee until the following AGM. One third of the Trustees must retire by rotation at every third AGM. Those retiring are eligible for reappointment by the members.

Membership of the Charity is open to any individual who has an interest in the objects of the Charity and who applies and is accepted by the Trustees to be a member. At the year end the sole member is considered to be the Council for Christian Colleges and Universities, which is a Charity based in Washington D.C. in the United States of America.

The day to day operations of the Charity are controlled by the Programme Director, S Rosenberg, and several full and part-time staff members who oversee the programmatic and administrative operations of the charity.

Newly appointed Trustees undergo an orientation session to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the business plan and recent performance of the company.

The Board is required to meet on an annual basis.

The Board is responsible for strategic planning to meet the Charity's objectives and develop strategy in relation to programming, finance and administration.

**Report of the Trustees (continued)
for the year ended 30 June 2020**

Structure, Governance and Management (continued)

The Trustees are satisfied that the accounts comply with current statutory requirements and the Charity's governing documents.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees and the Senior Management Team as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid by the Charity in the year. Details of Trustee expenses and related party transactions are disclosed in notes 5 and 15 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The pay of the Senior Management Team is reviewed annually and is normally increased in accordance with average earnings. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

Statement of Trustees' responsibilities

The Trustees (who are also directors of CCCU-UK for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; 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 auditor is aware of that information.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006.

Signed on behalf of the Board of the Trustees

M Bolton
Trustee

6 January 2021

Independent Auditor's Report to the members of CCCU-UK

Opinion

We have audited the financial statements of CCCU-UK (the 'charitable company') for the year ended 30 June 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent Auditor's Report to the members of CCCU-UK (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ajay Bahl BA BFP FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend Chartered Accountants, Statutory Auditor
Oxford

6 January 2021

CCCU-UK

**Statement of Financial Activities (including income and expenditure account)
for the year ended 30 June 2020**

| | Note | Unrestricted £ | Restricted £ | 2020 Total £ | Unrestricted £ | Restricted £ | 2019 Total £ |
|--|-----------|-------------------------|----------------------|-------------------------|-------------------------|----------------------|-------------------------|
| Income from: | | | | | | | |
| Charitable activities | 2a | 1,421,927 | 677 | 1,422,604 | 1,421,631 | 3,211 | 1,424,842 |
| Donations and grants | 2b | 17,618 | 648,902 | 666,520 | 231 | 814,350 | 814,581 |
| Rental income | | 2,253 | - | 2,253 | 14,636 | 774 | 15,410 |
| Investments | | 2,270 | - | 2,270 | 2,329 | - | 2,329 |
| Total income | | <u>1,444,068</u> | <u>649,579</u> | <u>2,093,647</u> | <u>1,438,827</u> | <u>818,335</u> | <u>2,257,162</u> |
| Expenditure on: | | | | | | | |
| Charitable activities | 3 | <u>1,256,700</u> | <u>611,239</u> | <u>1,867,939</u> | <u>1,522,141</u> | <u>733,874</u> | <u>2,256,015</u> |
| Total expenditure | | <u>1,256,700</u> | <u>611,239</u> | <u>1,867,939</u> | <u>1,522,141</u> | <u>733,874</u> | <u>2,256,015</u> |
| Net income/(expenditure) | | 187,368 | 38,340 | 225,708 | (83,314) | 84,461 | 1,147 |
| Transfer between funds | 11 | <u>75,199</u> | <u>(75,199)</u> | - | <u>101,884</u> | <u>(101,884)</u> | - |
| Net movement in funds | | <u>262,567</u> | <u>(36,859)</u> | <u>225,708</u> | <u>18,570</u> | <u>(17,423)</u> | <u>1,147</u> |
| Reconciliation of funds | | | | | | | |
| Fund balances brought forward at 1 July 2019 | | <u>1,270,398</u> | <u>81,394</u> | <u>1,351,792</u> | <u>1,251,828</u> | <u>98,817</u> | <u>1,350,645</u> |
| Fund balances carried forward at 30 June 2020 | | <u><u>1,532,965</u></u> | <u><u>44,535</u></u> | <u><u>1,577,500</u></u> | <u><u>1,270,398</u></u> | <u><u>81,394</u></u> | <u><u>1,351,792</u></u> |

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

CCCU-UK

Balance Sheet
30 June 2020

| | Note | 2020 | | 2019 | |
|--|------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible assets | 6a | 1,994,803 | | 2,021,654 | |
| Intangible assets | 6b | 4,777 | | - | |
| | | <u>1,999,580</u> | | <u>2,021,654</u> | |
| Current Assets | | | | | |
| Debtors | 7 | 368,589 | | 631,199 | |
| Cash at bank and in hand | | 774,894 | | 829,985 | |
| | | <u>1,143,483</u> | | <u>1,461,184</u> | |
| Creditors: Amounts falling due within one year | 8 | (454,274) | | (867,840) | |
| Net Current Assets | | | 689,209 | | 593,344 |
| Total Assets less Current Liabilities | | | <u>2,688,789</u> | | <u>2,614,998</u> |
| Creditors: Amounts falling due after more than one year | 9 | | (973,289) | | (1,039,206) |
| Net Assets excluding Pension Liability | | | <u>1,715,500</u> | | <u>1,575,792</u> |
| Defined Benefit Pension Liability | 17 | | (138,000) | | (224,000) |
| Net Assets | | | <u>1,577,500</u> | | <u>1,351,792</u> |
| Funds | | | | | |
| Restricted funds | 11 | | 44,535 | | 81,394 |
| Unrestricted funds – general | | | 1,532,965 | | 1,270,398 |
| Total Funds | | | <u>1,577,500</u> | | <u>1,351,792</u> |

The financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board of Trustees on 6 January 2021
and signed on its behalf by :

M Bolton
Trustee

Company number: 4026626

The notes on pages 10 to 21 form part of these accounts

CCCU-UK

**Statement of Cash Flows
for the year ended 30 June 2020**

| | Note | 2020 £ | 2019 £ |
|---|------|-----------------------|-----------------------|
| Net cash flow from operating activities | 16 | 86,196 | 464,631 |
| Cash flow from investing activities | | | |
| Payments to acquire tangible fixed assets | | (8,664) | (10,390) |
| Payments to acquire intangible fixed assets | | (5,946) | - |
| Interest received | | 2,270 | 2,329 |
| Net cash flow from investing activities | | <u>(12,340)</u> | <u>(8,061)</u> |
| Cash flow from financing activities | | | |
| Repayment of long term loans | | (61,964) | (58,421) |
| Interest paid | | (66,983) | (70,366) |
| Net cash flow from financing activities | | <u>(128,947)</u> | <u>(128,787)</u> |
| Net (decrease)/increase in cash and cash equivalents | | (55,091) | 327,783 |
| Cash and cash equivalents at 1st July 2019 | | 829,985 | 502,202 |
| Cash and cash equivalents at 30th June 2020 | | <u><u>774,894</u></u> | <u><u>829,985</u></u> |
| Cash and cash equivalents consists of: | | | |
| Cash at bank and in hand | | 774,894 | 329,985 |
| Short term deposits | | - | 500,000 |
| Cash and cash equivalents at 30th June 2020 | | <u><u>774,894</u></u> | <u><u>829,985</u></u> |

CCCU-UK

Notes to the Accounts for the year ended 30 June 2020

1 Summary of significant accounting policies

CCCU-UK is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information in these financial statements. The nature of the charity's operations and principal activities are included in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. These accounts have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Fund accounting

Unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds subject to specific trusts, which may be declared by the donor or with their authority but still within the objects of the charity. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Incoming resources are deferred to the extent they relate to future accounting periods.

Investment income is earned through holding assets for investment purposes and it includes interest. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method.

The charity receives government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised using the accrual model and as such are recorded in the Statement of Financial Activities in the period in which the charity is entitled to such grants as a result of having furloughed staff members.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

**Notes to the Accounts (continued)
for the year ended 30 June 2020**

1 Summary of significant accounting policies (continued)

Expenditure recognition (continued)

- Expenditure on charitable activities includes the costs associated with semester programmes and conferences; and
- Other expenditure represents those items not falling into the categories above.

The charitable company is not registered for VAT and, as such, irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 3.

Tangible fixed assets

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

| | |
|-------------------------|------------------------------|
| Freehold land | Nil |
| Freehold buildings | Straight line over 50 years |
| Leasehold improvements | Over the period of the lease |
| Furniture and equipment | 10% - 33⅓% p.a. |

Intangible assets

Research expenditure is written off in expenditure in the SoFA in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible assets are amortised on a straight line basis over their useful lives. The useful lives of intangible assets are as follows:

| | |
|---------|---------|
| Website | 5 years |
|---------|---------|

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**Notes to the Accounts (continued)
for the year ended 30 June 2020**

1 Summary of accounting policies (continued)

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currency

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity participates in the Universities Superannuation Scheme (the scheme). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the charity therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the charity has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the charity recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the income and expenditure account.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. In performing this review, the trustees have factored in the anticipated impact of COVID-19 on its operations. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

CCCU-UK

Notes to the Accounts (continued)
for the year ended 30 June 2020

1 Summary of accounting policies (continued)

Critical accounting judgements

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss in accordance with section 28 of FRS 102. The trustees are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Key sources of estimation uncertainty

Pension scheme liability

The trustees are required to make assumptions on future staffing levels when calculating the USS pension scheme liability. These are included as best estimates at the date of calculation, but present a significant risk in potentially causing a material adjustment to the balance sheet.

2 Income

a) Charitable activities

| | 2020 Unrestricted £ | 2020 Restricted £ | 2020 Total £ | 2019 Total £ |
|----------------------------|---------------------------|-------------------------|--------------------|--------------------|
| Student tuition fees | 1,148,837 | - | 1,148,837 | 1,063,941 |
| Student accommodation fees | 269,061 | - | 269,061 | 350,228 |
| Other | 4,029 | 677 | 4,706 | 10,673 |
| | <u>1,421,927</u> | <u>677</u> | <u>1,422,604</u> | <u>1,424,842</u> |

b) Donations and grants

| | 2020 Unrestricted £ | 2020 Restricted £ | 2020 Total £ | 2019 Total £ |
|--------------------|---------------------------|-------------------------|--------------------|--------------------|
| Conference funding | - | 29,953 | 29,953 | 114,375 |
| Grants received | - | 560,907 | 560,907 | 526,195 |
| Donations received | - | 58,042 | 58,042 | 174,011 |
| Government grants | 17,618 | - | 17,618 | - |
| | <u>17,618</u> | <u>648,902</u> | <u>666,520</u> | <u>814,581</u> |

Included within donations and grants for the charity is £17,618 (2019: £Nil) of Government grants relating to the Coronavirus Job Retention Scheme.

CCCU-UK

Notes to the Accounts (continued)
for the year ended 30 June 2020

3 Expenditure

a) Analysis of expenditure

| | Charitable activities costs | | | 2020 | 2019 |
|--|-----------------------------|------------------------------|------------------------------|------------------|------------------|
| | Grants (restricted) | Programmes (unrestricted) | Governance (unrestricted) | | |
| | £ | £ | £ | £ | £ |
| Wages and salaries | 219,723 | 306,923 | 4,377 | 531,023 | 517,490 |
| Staff pension costs | 22,137 | 61,169 | 897 | 84,203 | 71,366 |
| (Decrease)/increase in pension provision | - | (86,000) | - | (86,000) | 131,000 |
| Other staff costs | 8,138 | 7,386 | - | 15,524 | 17,888 |
| University of Oxford fees | - | 371,276 | - | 371,276 | 325,294 |
| Student affiliation fees | 214 | 2,105 | - | 2,319 | 3,476 |
| Student activities | 1,034 | 23,141 | - | 24,175 | 32,990 |
| Utilities | 374 | 19,981 | - | 20,355 | 22,085 |
| Rent, rates and insurance | 24,758 | 75,466 | - | 100,224 | 97,186 |
| Repairs and maintenance and consumables | 4,643 | 57,880 | - | 62,523 | 72,683 |
| Printing, postage, stationery, telephone and office | 8,522 | 22,058 | - | 30,580 | 39,948 |
| Travel and related expenses | 136,012 | 19,839 | - | 155,851 | 243,518 |
| Legal and professional fees | 134 | 941 | - | 1,075 | 1,299 |
| Other support costs | 110,803 | 33,483 | - | 144,286 | 146,663 |
| Programme US allocation costs | - | 116,895 | - | 116,895 | 107,322 |
| Programme marketing costs | - | 33,303 | - | 33,303 | 42,951 |
| Audit and accountancy | 3,612 | 1,588 | 10,080 | 15,280 | 24,642 |
| Bank and other interest and charges | 941 | 68,809 | - | 69,750 | 73,310 |
| Exchange rate deficits/(gains) | (20) | 68,419 | - | 68,399 | 101,638 |
| Depreciation/amortisation of owned assets | - | 36,684 | - | 36,684 | 37,343 |
| Scholarships, grants & stipends | 70,214 | - | - | 70,214 | 145,923 |
| | <u>611,239</u> | <u>1,241,346</u> | <u>15,354</u> | <u>1,867,939</u> | <u>2,256,015</u> |

b) Grants paid

All scholarships, grants and stipends paid are to individuals. They were awarded to support the research projects for which the charity has received funding.

c) Staff costs

Particulars of employees are shown below:

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Employee costs during the year amounted to: | | |
| Wages and salaries | 489,905 | 479,649 |
| Social security costs | 41,118 | 37,841 |
| Pension costs | 84,203 | 71,366 |
| | <u>615,226</u> | <u>588,856</u> |

CCCU-UK

Notes to the Accounts (continued) for the year ended 30 June 2020

3 Total resources expended (continued)

The average number of persons employed by the charity during the year was as follows:

| | 2020 £ | 2019 £ |
|----------------------|-----------|-----------|
| Teaching staff | 16 | 16 |
| Administrative staff | 4 | 4 |
| | <u>20</u> | <u>20</u> |

Highest paid employees:

During the period there was one employee who earned in the band £80,001 to £90,000. Pension contributions paid on behalf of this employee totalled £17,940.

d) Auditors' remuneration

| | 2020 £ | 2019 £ |
|--|---------------|---------------|
| Fees received for audit services (including VAT) | 10,080 | 10,080 |
| Fees received for non-audit services (including VAT) | 5,200 | 14,562 |
| | <u>15,280</u> | <u>24,642</u> |

4. Pension schemes

The charity pays into a defined benefit pension scheme as detailed in note 17. The assets of the scheme are held separately from those of the charity in independently managed funds. Total contributions due amounted to £84,203 (2019: £71,366). Contributions outstanding at the year end amounted to £nil (2019: £Nil).

5 Trustees' and key management personnel remuneration and expenses

The Trustees received no remuneration or reimbursed expenses during the year (2019: £Nil).

The total amount of employee remuneration and benefits received by key management personnel is £310,751 (2019: £315,341). The Trust considers its key management personnel comprises the Board of Trustees, and the Senior Management Team.

No trustees (2019: none) are accruing pension arrangements.

CCCU-UK

Notes to the Accounts (continued)
for the period ended 30 June 2020

6 Fixed assets

a) Tangible fixed assets

| | Freehold land and buildings £ | Leasehold land and buildings £ | Fixtures fittings & equipment £ | Total £ |
|----------------------------|--|---|--|------------|
| Cost or valuation | | | | |
| At 1 July 2019 | 2,261,368 | 67,256 | 152,063 | 2,480,687 |
| Additions | 5,640 | - | 3,024 | 8,664 |
| At 30 June 2020 | 2,267,008 | 67,256 | 155,087 | 2,489,351 |
| Depreciation | | | | |
| At 1 July 2019 | 254,677 | 67,256 | 137,100 | 459,033 |
| Charged in the year | 32,625 | - | 2,890 | 35,515 |
| At 30 June 2020 | 287,302 | 67,256 | 139,990 | 494,548 |
| Net book amount at: | | | | |
| At 30 June 2020 | 1,979,706 | - | 15,097 | 1,994,803 |
| At 1 July 2019 | 2,006,691 | - | 14,963 | 2,021,654 |

Tangible fixed assets with a net book value of £1,979,706 (2019: £2,006,691) have been pledged as security for liabilities of the charity.

b) Intangible fixed assets

| | Website £ | Total £ |
|--------------------------|--------------|------------|
| Cost or valuation | | |
| At 1 July 2019 | - | - |
| Additions | 5,946 | 5,946 |
| At 30 June 2020 | 5,946 | 5,946 |
| Amortisation | | |
| At 1 July 2019 | - | - |
| Charged in the year | 1,169 | 1,169 |
| At 30 June 2020 | 1,169 | 1,169 |
| Net book amount: | | |
| At 30 June 2020 | 4,777 | 4,777 |

7 Debtors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 5,671 | 479 |
| Other debtors | 5,651 | 3,735 |
| Prepayments | 7,951 | 24,891 |
| Amounts owed by parent charity | 349,316 | 602,094 |
| | 368,589 | 631,199 |

CCCU-UK

Notes to the Accounts (continued)
for the year ended 30 June 2020

8 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|---------------------------------|----------------|----------------|
| Bank loan (secured) | 65,917 | 61,964 |
| Trade creditors | 993 | 70,161 |
| Other taxes and social security | 8,480 | 12,573 |
| Accruals and deferred income | 378,884 | 723,142 |
| | <u>454,274</u> | <u>867,840</u> |

Deferred income comprises student tuition fees received in advance and deferred grant income. Movements in deferred income are summarised as follows:-

| | £ |
|----------------------------|----------------|
| Opening balance | 685,868 |
| Additions during the year | 363,210 |
| Amounts released to income | (706,870) |
| | <u>342,208</u> |
| Closing balance | |

9 Creditors: amounts falling due after more than one year

| | 2020 £ | 2019 £ |
|---------------------|----------------|------------------|
| Bank loan (secured) | <u>973,289</u> | <u>1,039,206</u> |

A bank loan was taken out with Handelsbanken to fund the purchase of The Vines. See note 10 for further details.

10 Loans

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Loans not wholly repayable within five years: | | |
| Bank loans | <u>1,039,206</u> | <u>1,101,170</u> |
| Analysis of maturity of debt: | | |
| Within a year or on demand | 65,917 | 61,964 |
| Between two and five years | 339,109 | 315,133 |
| After five years | 634,180 | 724,073 |
| | <u>1,039,206</u> | <u>1,101,170</u> |

The company has a loan with Svenska Handelsbanken drawn on 15 July 2011 that is an interest bearing loan only repayable on 14 July 2031, at an interest rate of 6.25%, and that is secured by a legal charge over the property known as The Vines, Pullens Lane, Headington, Oxford, and a guarantee from the parent charity.

CCCU-UK

Notes to the Accounts (continued)
for the year ended 30 June 2020

11 Restricted funds

| 2020 | Balance 1 July 2019 £ | Income £ | Expenditure £ | Transfer £ | Balance 30 June 2020 £ |
|----------------------|-----------------------------|----------------|------------------|------------------|------------------------------|
| The Psalms 1 Fund | 21,619 | 87,995 | (97,247) | (12,367) | - |
| The de Jager Fund | 38,013 | - | (13,641) | - | 24,372 |
| Science and Religion | 21,762 | 677 | (2,276) | - | 20,163 |
| B2C2 | - | 523,640 | (464,639) | (59,001) | - |
| TWU | - | 9,835 | (8,942) | (893) | - |
| Faraday | - | 2,097 | (2,097) | - | - |
| Planning Grant | - | 25,335 | (22,397) | (2,938) | - |
| | <u>81,394</u> | <u>649,579</u> | <u>(611,239)</u> | <u>(75,199)</u> | <u>44,535</u> |
| 2019 | Balance 1 July 2018 £ | Income £ | Expenditure £ | Transfer £ | Balance 30 June 2019 £ |
| MOTB | - | 11,847 | (11,847) | - | - |
| The Psalms 1 Fund | - | 189,862 | (152,948) | (15,295) | 21,619 |
| The de Jager Fund | 42,109 | - | (4,096) | - | 38,013 |
| Templeton | 29,988 | 32,899 | (43,809) | (19,078) | - |
| Science and Religion | 26,720 | 2,211 | (7,169) | - | 21,762 |
| B2C2 | - | 567,307 | (501,088) | (66,219) | - |
| TWU | - | 14,209 | (12,917) | (1,292) | - |
| | <u>98,817</u> | <u>818,335</u> | <u>(733,874)</u> | <u>(101,884)</u> | <u>81,394</u> |

MOTB – funding for a postdoctoral fellow, and annual project work by the Museum of the Bible Scholars Initiative.

The Psalms 1 Fund (a Donor Advised Fund of The Signatry) – funding for Summer Logos conference.

The de Jager Fund – funding was received to advance SCIO activities in Oxford.

Templeton Religion Trust – funding provided for the project ‘Co-Creating Ourselves’.

Science and Religion – income and expenditure relates to a specific project – “Configuring Adam and Eve”.

B2C2 – funding provided by Templeton Trust and Blankemeyer Foundation for the project “Bridging the Two Cultures II”.

TWU – funding for the research project – “Christian Flourishing in a Technological World”.

Faraday – funding provided by Templeton Religion Trust for the Oxford Premier of ‘Fire from Heaven’ the new play on Michael Faraday.

Planning Grant – funding provided by John Templeton Foundation for Innovative Partnerships to develop the future of bench Science at Christian Liberal Arts Institutions.

The transfer of funds in the year represents the overhead contributions included from various grants to support costs incurred in general funds.

CCCU-UK

Notes to the Accounts (continued)
for the year ended 30 June 2020

12 Analysis of net assets between funds

| 2020 | Restricted funds £ | General funds £ | Total funds £ |
|-------------------------|--------------------------|-----------------------|---------------------|
| Tangible fixed assets | - | 1,994,803 | 1,994,803 |
| Intangible fixed assets | - | 4,777 | 4,777 |
| Net current assets | 44,535 | 644,674 | 689,209 |
| Long term liabilities | - | (973,289) | (973,289) |
| Pension provision | - | (138,000) | (138,000) |
| Total net assets | 44,535 | 1,532,965 | 1,577,500 |
| 2019 | Restricted funds £ | General funds £ | Total funds £ |
| Tangible fixed assets | - | 2,021,654 | 2,021,654 |
| Net current assets | 81,394 | 511,950 | 593,344 |
| Long term liabilities | - | (1,039,206) | (1,039,206) |
| Pension provision | - | (224,000) | (224,000) |
| Total net assets | 81,394 | 1,270,398 | 1,351,792 |

13 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | Land and buildings | |
|---|--------------------|-----------|
| | 2020 £ | 2019 £ |
| Not later than one year | 42,798 | 42,500 |
| Later than one year and not later than five years | 48,538 | 5,313 |
| | 91,336 | 47,813 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £41,652 (2019: £39,539).

14 Control

The ultimate controlling party and largest group for which consolidated financial statements are available is Council for Christian Colleges and Universities and Affiliates. The company is incorporated in the United States of America and is organised under the laws of the state of Washington D.C. Group accounts are available from 321 8th Street Northeast, Washington D.C., DC20002-6107, USA.

15 Related parties

The company has taken advantage of the exemption in FRS 102 not to disclose related party transactions with entities in the group controlled by Council for Christian Colleges and Universities.

There were no other related party transactions during the period (2019: £Nil).

**Notes to the Accounts (continued)
for the year ended 30 June 2020**

16 Reconciliation of net income to net cash flow from operating activities

| | 2020 | 2019 |
|--|---------------|----------------|
| | £ | £ |
| Net income for year | 225,708 | 1,147 |
| Interest receivable | (2,270) | (2,329) |
| Interest payable | 66,983 | 70,366 |
| Depreciation and impairment of tangible fixed assets | 35,515 | 37,343 |
| Amortisation of intangible fixed assets | 1,169 | - |
| Decrease in debtors | 262,610 | 97,704 |
| (Decrease)/increase in creditors | (417,519) | 129,400 |
| (Decrease)/increase in pension provision | (86,000) | 131,000 |
| Net cash flow from operating activities | <u>86,196</u> | <u>464,631</u> |

17 Pension scheme – Universities Superannuation Scheme (USS)

The pension charge for the year includes a £1,797 credit (2019: £202,366) in relation to the USS. This represents contributions of £84,203 payable to the USS, decreased by the change in the deficit funding liability between the opening and closing balance sheet dates of £86,000 (2019: increased by £131,000).

The latest available complete actuarial valuation of the Scheme is at 31 March 2018 (“the valuation date”), which was carried out using the projected unit method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in the scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuation and the assumptions which have the most significant effect on the results were:

| | USS |
|--|---------------------------------------|
| Date of valuation: | 31/03/18 |
| Date valuation results published: | 16/09/19 |
| Value of liabilities: | £67.3bn |
| Value of assets: | £63.7bn |
| Funding surplus / (deficit): | (£3.6bn) |
| Principal assumptions: | |
| • Discount rate | CPI - 0.73% to CPI +2.52% a |
| • Rate of increase in salaries | n/a |
| • Rate of increase in pensions | CPI b |
| Assumed life expectancies on retirement at age 65: | |
| • Males currently aged 65 | 24.4 yrs |
| • Females currently aged 65 | 25.9 yrs |
| • Males currently aged 45 | 26.3 yrs |
| • Females currently aged 45 | 27.7 yrs |
| Funding Ratios: | |
| • Technical provisions basis | 95% |
| • Statutory Pension Protection Fund basis | 76% |
| • ‘Buy-out’ basis | 56% |
| Employer contribution rate (as % of pensionable salaries): | 21.1% increasing to 23.7% on 01/10/21 |
| Effective date of next valuation: | 31/03/20 |

**Notes to the Accounts (continued)
for the year ended 30 June 2020**

17 Pension scheme – Universities Superannuation Scheme (USS) (continued)

- a. The discount rate (forward rates) for the USS valuation was:
 Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%
 Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
 Years 21 +: CPI + 1.55%
- b. Pensions increases (CPI) for the USS valuation were:
 Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
- c. The USS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

| Assumption | USS Change in assumption | Impact on USS liabilities |
|-----------------------|---|---------------------------|
| Initial discount rate | increase by 0.1% | decrease by £1.2bn |
| Asset values | reduce by 10% | increase by £6.4bn |
| RPI – CPI spread | increase by 0.1% | decrease by £0.7bn |
| Rate of mortality | more prudent assumption (mortality rated down by a further year) | increase by £1.6bn |

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the company has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

| | USS |
|---------------------------------------|----------|
| Finish Date for Deficit Recovery Plan | 31/03/28 |
| Average staff number increase | Nil |
| Average staff salary increase | 1.2% pa |
| Average discount rate over period | 0.63% |

A provision of £138,000 has been made at 30 June 2020 (2019: £224,000) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk.