REGISTERED NUMBER: 259021

BOARD OF MANAGEMENT REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2001 FOR THE ORATORY SCHOOL ASSOCIATION (LIMITED BY GUARANTEE)



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THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 AUGUST 2001

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THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

COMPANY GENERAL INFORMATION

BOARD OF GOVERNORS:

C J Sehmer*
V Rev C J G Winterton (retired 31 December 2001)
C J French*
N R Purnell
M W Stilwell
T A H Tyler
D E Wilson (retired 2 May 2001)
M H R Hasslacher (appointed 2 May 2001)
Dr R I D Simpson*
Rt Rev Mgr R Brown
F J Fitzherbert – Brockholes
J J Eyston*
P C H Hasslacher (retired 2 May 2001)
V Rev R Byrne*
Major T E Thorneycroft
Mrs E M Drew

(*Member of the Board of Management as at 31 August 2001)

SECRETARY:	Dr H A Will
REGISTERED OFFICE:	The Oratory School Woodcote Berkshire RG8 0PJ
COMPANY REGISTRATION NUMBER:	259021
CHARITY REGISTERED NUMBER:	309112

OFFICERS:

HEADMASTERS:	- The Oratory School	C I Dytor
	- The Oratory Preparatory School	D L Sexon
CLERK TO THE GOVERNORS		A V Phillips

ADDRESSES	- The Oratory School Woodcote Reading Berkshire	The Oratory Preparatory School Goring Heath Reading Berkshire

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

COMPANY GENERAL INFORMATION (CONTINUED)

AUDITORS:	James & Cowper 3 Wesley Gate Queens Road Reading Berkshire RG1 4AP Chartered Accountants and Registered Auditor
SOLICITORS:	Veale Wasbrough Orchard Court Orchard Lane Bristol BS1 5DS
BANKERS:	Lloyds TSB Bank Plc 33 Market Place Reading Berkshire RG1 2DJ
INVESTMENT ADVISERS:	Credit Suisse (UK) Limited 5 Cabot Square Canary Wharf London E14 4QR
INSURANCE BROKER:	D E Ford Limited Poppleton Grange Low Poppleton Lane York YO26 9GZ

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

REPORT OF THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 31 AUGUST 2001

STATUS

The Oratory School Association is a Charity constituted under a Declaration of Trust in 1927, amended by Deed of Agreement in 1931. It is incorporated as a company limited by guarantee. It is a registered charity.

OBJECTS

The objects for which the Association is established are to provide general, physical, moral and religious education in particular in accordance with Roman Catholic doctrines and practices for boys and girls in any part of the world and for that purpose to carry on and maintain the Oratory Schools.

These objects are presently met by the Association being currently responsible for the Oratory School and the Oratory Preparatory School.

POLICY

The Oratory School and the Oratory Preparatory School provide for 750 boarding and day pupils; boys between the ages of 3 and 18 and girls up to the age of 13.

The schools were founded by John Henry Newman in 1859 specifically to meet the educational needs of the Roman Catholic laity, and in founding The Oratory Schools, Newman created a new type of Roman Catholic education which he foresaw as meeting the needs of the modern age.

Today the schools are lay run as Newman had always intended them to be. Pastoral care of the pupils is thus in the hands of laymen and their wives whilst the Chaplain is parish priest to both school communities and the lay staff work with him to promote the Roman Catholic life of the schools.

Newman wanted his school to have the atmosphere of home, and we have been able to provide friendly residential accommodation, designed so that the House staff can maintain an easy supervision over the pupils.

We are proud to have as our Founder a great Christian thinker, but we are even more proud to be entrusted with his vision of Roman Catholic education to produce educated Christian young men and women for the modern age.

REVIEW OF ACTIVITIES AND FINANCIAL RESULTS

2000-2001 was a satisfactory year for the Association and the consolidated accounts show an increase of funds for the year of £13,202 (2000 £426,478). There were 386 pupils in the Oratory School and in the Oratory Preparatory School, which continues to expand, there were 368 pupils.

As in former years the Association has granted scholarships and bursaries to a number of pupils and has helped the Newman Trust in its work by providing holiday facilities for young disabled persons. Other charitable contributions made during the year amounted to £2,510 (2000 £1,555).

FIXED ASSETS

The Woodcote Estate is vested in Trustees for the benefit of and free use by The Oratory School. The Oratory School Association, as owners of the School, are responsible for all outgoings thereon.

The value of land and buildings for insurance purposes is approximately £8,500,000 higher than book value. No calculation of the deferred tax arising on this excess has been made because there is no intention to sell and in any case, the company is not subject to UK corporation tax.

INVESTMENT POWERS

To invest the monies of the Association not immediately required for its purposes, in or upon such investments, securities or property as may be thought fit, and in any part of the world, subject nevertheless to such conditions (if any) as may for the time being be imposed or required by law.

ORGANISATION

The Board of Governors of the Association are ultimately responsible for the general policy of the schools. General responsibility is delegated to the Board of Management with the day to day management being the responsibility of the two Headmasters and the Bursar.

The members of the Board of Management are detailed on page 1.

The members of the Board of Management retiring by rotation at the Annual General Meeting will be C J French and J J Eyston.

The members of the Board of Governors retiring by rotation at the Annual General Meeting will be N R Purnell and Rt Rev Mgr R Brown

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES

Company law requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the results of the group for that period. In preparing those financial statements, the Board of Management are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Management are responsible for keeping 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.

AUDITORS

The auditors, James & Cowper, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD OF MANAGEMENT:

J J EYSTON .....J.J. Eyston.....

Dated: 5 March 2002

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ORATORY SCHOOL ASSOCIATION

We have audited the financial statements of The Oratory School Association for the year ended 31 August 2001 on pages 8 to 25 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and accounting policies set out on pages 13 to 15.

RESPECTIVE RESPONSIBILITIES OF THE BOARD OF MANAGEMENT AND AUDITORS

As described on page 5 the company's Board of Management are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Board of Management is not consistent with the financial statements, if the charitable company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

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

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 Board of Management 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.

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ORATORY SCHOOL ASSOCIATION (CONTINUED)

OPINION

In our opinion the financial statements give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2001 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

James & Cowper
3 Wesley Gate
Queens Road
Reading
Berkshire RG1 4AP

Chartered Accountants
and Registered Auditor

Date: 28 March 2002

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	Unrestricted Funds 2001 £	2000 £
INCOMING RESOURCES			
Fees receivable	1	7,423,856	6,846,973
Trading income		251,917	242,198
Investment income		13,001	21,304
Bank and other interest		37,776	75,335
Sundry other income		100,968	110,598
Donations		-	32,051
Total Incoming Resources		7,827,518	7,326,459
RESOURCES EXPENDED			
Direct Charitable Expenditure			
Teaching costs		3,369,102	3,021,063
Welfare		1,542,248	1,463,836
Premises		1,250,274	1,026,262
Administration of the School		663,257	727,228
Scholarships and bursaries		624,397	476,781
Prize fund expenditure		3,445	4,449
		7,452,723	6,710,619
Other Expenditure			
Charity management		44,622	40,017
Management and administration		81,507	78,934
Trading expenditure		128,053	121,561
		254,182	240,512
Total Resources Expended	4	7,706,905	6,951,131
NET INCOMING RESOURCES		120,613	375,328
Gains/(losses) on investment assets:			
Realised		(3,469)	(3,598)
Unrealised		(103,942)	54,798
NET MOVEMENT IN FUNDS		13,202	426,478
Balances brought forward at 1 September 2000		8,814,780	8,388,302
BALANCES CARRIED FORWARD AT 31 AUGUST 2001		8,827,982	8,814,780

The notes on pages 13 to 25 form part of these accounts

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

BALANCE SHEETS
AS AT 31 AUGUST 2001

	Notes	Consolidated 2001 £	Consolidated 2000 £	Association 2001 £	Association 2000 £
FIXED ASSETS					
Tangible	5	9,856,899	7,845,146	9,854,685	7,840,075
Investments	6	466,621	548,198	486,621	568,198
		10,323,520	8,393,344	10,341,306	8,408,273
CURRENT ASSETS					
Stocks		119,424	107,365	60,000	56,539
Debtors	7	590,369	378,733	652,279	460,308
Cash		110,541	1,007,349	50,337	941,923
		820,334	1,493,447	762,616	1,458,770
CREDITORS: due within one year	8	(1,987,388)	(998,167)	(1,946,811)	(968,780)
NET CURRENT ASSET/LIABILITIES		(1,167,054)	495,280	(1,184,195)	489,990
TOTAL ASSETS LESS CURRENT LIABILITIES		9,156,466	8,888,624	9,157,111	8,898,263
CREDITORS: due after more than one year	9	(328,484)	(73,844)	(328,484)	(73,844)
		8,827,982	8,814,780	8,828,627	8,824,419
UNRESTRICTED FUNDS	11				
Designated funds		6,093,627	6,089,157	6,093,627	6,089,157
Unrestricted income funds		2,735,000	2,735,262	2,735,000	2,735,262
Non-charitable trading funds held by subsidiaries		(645)	(9,639)	-	-
		8,827,982	8,814,780	8,828,627	8,824,419

Approved by the Board of Management
On 5 March 2002 and signed on their behalf by

J.J. Eyston
J J EYSTON

C J SEHMER

The notes on pages 13 to 25 form part of these accounts

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

CONSOLIDATED CASHFLOW STATEMENT
AS AT 31 AUGUST 2001

	Notes	2001 £	2000 £
Net cash inflow from operating activities	1	1,075,665	855,681
Returns on investments and servicing of finance	2	50,777	94,639
Taxation		-	-
Capital expenditure and financial investment	2	(2,490,029)	(1,152,681)
Equity dividends paid		-	-
		(1,363,587)	(202,361)
Financing		-	-
(Decrease)/Increase in cash in the period		£(1,363,587)	£(202,361)

Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		(1,363,587)	(202,361)
Net funds at 1 September 2000		1,007,349	1,209,710
Net funds at 31 August 2001		£(356,238)	£1,007,349

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2001

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASHFLOW FROM OPERATIONS

	2001	2000
	£	£
Net incoming resources	120,613	375,328
Depreciation charges	442,120	324,273
Investment income	(13,001)	(21,304)
Bank and other interest	(37,776)	(73,335)
(Increase)/Decrease in stock	(12,059)	(7,612)
(Increase)/Decrease in debtors	(211,636)	67,151
Increase/(Decrease) in creditors	777,082	191,651
(Profit)/Loss on disposal of fixed assets	10,322	(471)
	1,075,665	855,681

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001	2000
	£	£
Returns on investments and servicing of finance		
Investment income	13,001	21,304
Bank and other interest received	37,776	73,335
	50,777	94,639
Capital expenditure and financial investment		
Purchase of tangible fixed assets	2,455,636	1,170,936
Sale of tangible fixed assets	-	(7,022)
Purchase of investments	221,618	250,318
Sale of investments	(187,225)	(261,551)
Net cash outflow for capital expenditure	2,490,029	1,152,681

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 31.8.00	Cash flow	Other non-cash changes	At 31.8.01
Net cash:				
Cash at bank	1,007,349	(1,363,587)	-	(356,238)
Analysed in Balance Sheet				
Cash at bank	1,007,349			(356,238)

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Gross charitable income		7,575,601	7,084,261
Non-charitable trading income		251,917	242,198
		7,827,518	7,326,459
Charitable expenditure		7,578,852	6,829,570
Non-charitable trading expenditure		128,053	121,561
Net income before investment asset disposals		120,613	375,328
Gain/(loss) on disposal of fixed asset investments		(3,469)	(3,598)
Net income for the year		117,144	371,730

Notes

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 8 which together with notes to the accounts on pages 13 to 25 provides the full information on the movements during the year on all the funds of the group.

The parent company has taken advantage of Section 230 Companies act 1985 in not preparing its own Income and Expenditure Account. The surplus of the parent company dealt with in the consolidated income and expenditure account is £4,311 (2000 £436,819 surplus).

None of the Association's activities were acquired or discontinued during the current and previous years.

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 AUGUST 2001

Accounting Convention
The accounts of the Association are prepared in accordance with The Charities (Accounts and Reports) Regulations 1995, the Statement of Recommended Practice "Accounting by Charities" 1995 and with applicable accounting standards. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value. The group financial statements consolidate the results of the company and its two subsidiary companies.

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated before deducting bursaries, scholarships and other allowances. These are paid from a designated fund.

Donations
Donations subject to specific wishes of donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Expenditure
Any services supplied to the Association by its subsidiary companies are treated as a cost of the Association and the sale proceeds and associated costs are excluded from the amounts shown for trading income and trading expenditure.

Expenditure is allocated to expense headings on a direct cost basis or apportioned according to time spent or other relevant basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Operating leases
Rentals payable are charged against revenue in the period in which they are incurred.

Pension schemes
The Association contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the Association by the Scheme Administrator.

The Association also operated a group personal pension defined contribution scheme. A defined benefit pension scheme was discontinued on 1 December 1999. This scheme is currently being run as a closed fund with benefits being paid as they fall due. Full details of the Pension's schemes are given in Note 16.

Capitalisation and replacement
The costs of new buildings and extensions are capitalised.

The Oratory School is sited on the Woodcote Estate which is vested in Trustees for the benefit of and free use by The Oratory School. The Estate reverts to the Trustees if it ceases to be used as a school. Additions to school building on the Estate are capitalised as it is considered the Association has an equitable right to compensation for these additions if the Estate were to revert to the Trustees.

Depreciation
The original school buildings, freehold land and building work in progress are not depreciated. Depreciation of other assets is provided at rates to write off the excess of cost over estimated residual amount over their estimated useful lives as follows:

Freehold property	2% straight line
Furniture and equipment	10-33% straight line
Motor vehicles	25% straight line

Investments
Investments held as fixed assets are carried at market value. The gain/loss on investments sold during the year is the difference between the amount at which the investment was valued at the beginning of the year, or cost if purchased during the year, and sale proceeds.

Current assets
Stock is carried at the lower of cost and net realisable value.

Capital reserve
Included within unrestricted funds is a designated reserve to represent the permanent capital of the Association.

Bursary and Scholarship Fund
An annual transfer is made between the Unrestricted Income Fund and the Bursary and Scholarship Fund to cover grants made during the year.

Grants receivable
Grants received by the Association, which relate to expenditure on tangible fixed assets are taken to income over the useful economic life of the asset to which the grant relates. The amounts shown in the balance sheet in respect of grants consist of the total grants receivable to date, less amounts taken to income in the Statement of Financial Activities.

Advance Fee Payment Scheme
The School operates an Advance Fee Payment Scheme The Scheme is offered to assist parents who wish to make a once only capital payment to secure a termly remission of fees for a specified period.

The balance sheet liability represents the amount of the original capital payment, less amounts transferred to settle actual school fees.

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2001

		2001	2000
		£	£
1.	FEES		
	Fees receivable consist of:		
	Gross fees		
	- External	6,799,459	6,370,192
	- Transfer from Scholarship and Bursary Fund	624,397	476,781
		7,423,856	6,846,973

2. TRADING INCOME

The Association owns 100% of the ordinary share capital of Oratory Trading Limited, which provides leisure, sporting and recreational activities to third parties and fuel supplies to the Association. It covenants its taxable profits to the School. Its trading results, extracted from its audited accounts were:

	2001	2000
	£	£
Turnover	211,915	191,804
Cost of sales	102,809	66,950
Gross profit	109,106	124,854
Administration (including interest paid)	75,325	72,745
Other operating income	-	-
Operating profit	33,781	52,109
Interest receivable	1,332	526
Net profit	35,113	52,635
Covenant – gross	34,789	52,952
Tax on profit on ordinary activities	-	-
Retained (deficit)/profit	324	(317)
Retained profit brought forward	1,350	1,667
Retained profit carried forward	1,674	1,350

The Association also owns 100% of the ordinary share capital of Academy Catering Limited. This company provides catering and linen hire to third parties. It covenants its taxable profits to the school. Its trading results extracted from its audited accounts were:

	2001	2000
	£	£
Turnover	47,502	50,394
Cost of sales	32,744	54,611
Gross profit	14,758	(4,217)
Administrative expenses (including interest paid)	6,182	6,189
Operating profit/(loss)	8,576	(10,406)
Interest receivable and similar income	707	376
Net profit/(loss)	9,283	(10,030)
Covenant – gross	613	-
Tax on profit/(loss) on ordinary activities	-	-
Retained profit/(loss)	8,670	(10,030)
Retained profit/(loss) brought forward	(10,989)	(959)
Retained loss carried forward	(2,319)	(10,989)

3. EXPENDITURE:

		£	£
Other expenditure includes:			
Auditors' remuneration -	Audit fees	14,750	14,000
	Other services	10,471	15,024
Hire of plant and machinery		-	24,380

TOTAL STAFF COSTS:	£	£
Wages and salaries	3,904,549	3,557,112
Social security costs	293,488	270,262
Pension contributions	213,298	194,738
	4,411,335	4,022,112

Neither the governors nor persons connected with them received any remuneration or other benefits from the Association or any connected organisation. The Governors received travel expenses in the year ended 31 August 2001 of £1,403 (2000 £1,937).

The number of employees whose emoluments exceeded £40,000 were:

	2001 No.	2000 No.
£40,000 - £50,000	2	1
£50,000 - £60,000	1	1
	3	2
Average weekly number of employees		
Educational Staff	111	104
Domestics and Matron	33	33
Administrative	17	14
Maintenance and Grounds	19	19
Catering	49	45
	229	215

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	Total £	2000 £
Direct Charitable Expenditure					
Teaching costs	2,936,166	309,436	123,500	3,369,102	3,012,063
Welfare	778,093	718,110	46,045	1,542,248	1,463,836
Premises	386,278	611,080	252,916	1,250,274	1,026,262
Administration of the School	340,965	305,627	16,665	663,257	727,228
Scholarships and bursaries	-	624,397	-	624,397	476,781
Prize fund expenditure	-	3,445	-	3,445	4,449
	4,441,502	2,572,095	439,126	7,452,723	6,710,619
Other expenditure:					
Charity management	7,806	36,816	-	44,622	40,017
Management and administration of the Charity	-	78,513	2,994	81,507	78,934
Trading	-	128,053	-	128,053	121,561
	7,806	243,382	2,994	254,182	240,512
	4,449,308	2,815,477	442,120	7,706,905	6,951,131

5. TANGIBLE FIXED ASSETS

	Subsidiaries	Association			
	Plant & Equipment	Land & Buildings	Plant and Equipment	Association Total	Consolidated Total
	£	£	£	£	£
Cost					
1 September 2000	16,505	8,640,011	2,373,624	11,013,635	11,030,140
Additions	137	1,863,972	591,527	2,455,499	2,455,636
Disposals	-	-	(1,763)	(1,763)	(1,763)
31 August 2001	16,642	10,503,983	2,963,388	13,467,371	13,484,013
Depreciation					
1 September 2000	11,434	1,765,702	1,407,858	3,173,560	3,184,994
Charge for year	2,994	193,729	245,397	439,126	442,120
Disposals	-	-	-	-	-
31 August 2001	14,428	1,959,431	1,653,255	3,612,686	3,627,114
Net book values					
31 August 2001	2,214	8,544,552	1,310,133	9,854,685	9,856,899
31 August 2000	5,071	6,874,309	965,766	7,840,075	7,845,146

Land and building includes freehold land at a cost of £251,080 (£251,080) which is not depreciated.

6. INVESTMENTS

	Association	
	2001	2000
Quoted and other investments	£	£
Market value at 1 September 1999	568,198	505,584
Additions	221,618	270,312
Disposal at opening market value	(199,253)	(261,551)
Revaluations	(103,942)	53,853
Market value at 31 August 2001	486,621	568,198
Historical cost at 31 August 2001	481,396	399,465

The Association owns 100% of the issued share capital of two subsidiaries with a total nominal value of £20,000 (2000: £20,000) and therefore the consolidated quoted investments are £466,621 (£548,198). £1,364 (2000 £4,159) of investments are attributable to a designated prize fund.

Individual investments which represent 5% or greater of the investment fund:

	2001 £	2000 £
British Petroleum – 25p Ords	23,444	33,417
HSBC holdings	-	29,730
Frank Russell Institutional Funds	24,190	32,302

7. DEBTORS

	Consolidated		Association	
	2001 £	2000 £	2001 £	2000 £
Fees	395,318	238,947	395,318	238,947
Trade debtors	21,978	38,961	-	
Sundry debtors	26,954	31,225	62,356	84,177
Prepayments and accrued income	146,119	69,600	145,784	68,666
Subsidiary companies	-	-	48,821	68,518
	590,369	378,733	652,279	460,308

8. CREDITORS: due within one year

Bank overdraft	466,779	-	466,779	-
Fees received in advance	576,511	463,700	576,511	463,700
School fees scheme advance payments	103,242	27,405	103,242	27,405
Trade creditors	595,459	273,865	578,969	259,855
Taxation and social security	95,346	85,469	90,189	83,874
Other creditors and accruals	18,930	13,782	-	-
Deferred income	131,121	133,946	131,121	133,946
	1,987,388	998,167	1,946,811	968,780

9. CREDITORS: due after more than one year

School fees scheme advance payments	328,484	73,844	328,484	73,844

10. ALLOCATION OF THE CHARITY NET ASSETS

The charity has no restricted funds or endowment funds and the net assets are therefore attributable to the unrestricted funds.

11. UNRESTRICTED FUNDS

	Balance 1 September 2000 £	Incoming Resources £	Resources Expended £	Transfers/ Investment gains/(losses) £	Balance 31 August 2001 £
Designated funds Note 12	6,089,157	13,027	(630,160)	621,603	6,093,627
Non-charitable trading funds held by subsidiaries	(9,639)	253,956	(244,962)		(645)
Unrestricted income funds	2,735,262	7,560,535	(6,831,783)	(729,014)	2,735,000
	8,814,780	7,827,518	(7,706,905)	(107,411)	8,827,982

The unrestricted income fund is retained to cover the costs of plant and equipment and to provide working capital.

THE ORATORY SCHOOL ASSOCIATION
(LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2001

12. DESIGNATED FUNDS

	Balance 1 September 2000 £	Incoming Resources £	Resources Expended £	Transfers/ Investment gains/(losses) £	Balance 31 August 2001 £
Capital reserve	5,900,000	-	-	-	5,900,000
Scholarship/Bursary Funds					
- Oratory School	-	-	(561,040)	561,040	-
- Oratory Preparatory School	-		(63,357)	63,357	-
	-		(624,397)	624,397	-
Prize Funds					
- Oratory School	169,094	11,913	(3,547)	(2,794)	174,666
- Oratory Preparatory School	16,356	990			17,346
	185,450	12,903	(3,547)	(2,794)	192,012
Gatepier Fund	3,707	124	(2,216)		1,615
TOTAL	6,089,157	13,027	(630,160)	621,603	6,093,627

13. CAPITAL COMMITMENTS

	2001 £	2000 £
Contracted for but not yet provided for:		
The Oratory Preparatory School –		
Changing Block		502,730
The Oratory School		
Refurbishment of St John and Faber House	403,741	
	403,741	502,730

14. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	Other operating leases	
	2001 £	2000 £
Expiring:		
In less than one year	2,650	16,077
In two to five years	9,346	8,304
	11,996	24,381

15. RELATED PARTY DISCLOSURES

The company is controlled by the Board of Management.

On the basis that 100% of the company's voting rights are controlled within the group and consolidated financial statements in which the company is included have been made publicly available, the company has taken advantage of the exemption under FRS8 not to disclose intra-group transactions.

16. PENSION SCHEMES

RETIREMENT BENEFIT SCHEME

The company operated a funded, defined benefit scheme which was discontinued on 1 December 1999. The Scheme is currently being run as a closed fund with benefits being paid as they fall due.

The latest valuation as at 1 December 1999 showed that the Regular Contribution Rate had been 16.5% of Pensionable Salaries (inclusive of members' contributions) as from 1 December 1997.

At the valuation date, the market value of assets was £656,000, whilst the actuarial value was £533,000.

The actuarial value of the assets represented 123% of the accrued benefits based on Pensionable Salaries projected to Normal Retirement Age or the date of earlier withdrawal.

At the valuation date there was no deficiency on a current fund level basis.

TEACHERS SUPERANNUATION SCHEME

The company participates in the Teachers' Superannuation Scheme. The company makes contributions in accordance with recommended rates. This is a defined benefit scheme.

The Teachers' Superannuation Scheme is assessed every five years in accordance with the advice of the Government Actuary using a prospective benefits valuation method. The latest valuation of the scheme was at 31 March 1996.

The Government Actuary's report of June 1999 revealed that the total liabilities of the scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £65,670 million. The value of the assets (estimated future contributions together with the proceeds from notional investments held at the valuation date) was £6,170 million. The Government Actuary concluded, in his supplementary report of March 2000 specifying an alternative pattern of employers' supplementary contribution, that a deficiency of £3,960 million could be eliminated by supplementary contributions of 0.4% of pay from 1 April 2000 to March 2002 and of 1.35% from April 2002 to 31 March 2040. The financial assumptions of the Government Actuary's report were that prices would increase by 5% and salaries by 6.5% and the rate of return on investments would be 8.5%.

16. PENSION SCHEMES (Continued)

GROUP PERSONAL PENSION SCHEME

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension costs charged represent contributions paid in the year.

17. CONTINGENT LIABILITY

The school received a grant in 1994 from the Combined Cadet Force (CCF) towards the cost of certain property improvements. In accordance with Statement of Standard Accounting Practice No. 4, this grant is now being taken to income over the useful economic life of the related asset.
As a condition of this grant, the CCF have free use of this facility. A further condition attached to this grant is that the CCF have the right to reclaim a portion of the grant if at any stage within 20 years, they cease to use the building for reasons outside their control.

At 31 August 2001 an amount of £24,658 would have been payable to the CCF if they had ceased to use this facility for reasons outside their control.

A further grant was made under similar circumstances in 1999. At 31 August 2001 an amount of £115,000 would have been payable to the CCF if they had ceased to use this facility for reasons outside their control within 20 years.