

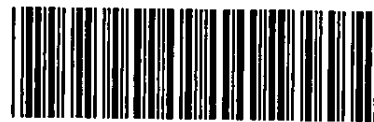
Company registered number 259021
Charity registered number 309112

**THE ORATORY SCHOOLS ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

SATURDAY



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THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

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THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2011**

Board of Governors

M H R Hasslacher *
C J Sehmer *
B F H Bettesworth
Rev R J Byrne *
Mrs M Cochrane
Mrs M E Edwards
Professor P W Evans *
F J Fitzherbert-Brockholes
C J French *
Dr C B T Hill Williams
H H Judge K A D Hornby
N F Littlefair
N R Purnell *
Rev J N Saward
M W Stilwell *
T A H Tyler
(* Member of the Finance & General Purpose Committee as at 31 August 2011)

Company Registered Number

00259021

Charity Registered Number

309112

Registered Office

The Oratory School, Woodcote, Reading, Berkshire, RG8 0PJ

Addresses

The Oratory School, Woodcote, Reading, Berkshire
The Oratory Preparatory School, Goring Heath, Reading, Berkshire

Clerk to the Governors and Bursar

A F Bradshaw

Headmasters

The Oratory School - C I Dytor
The Oratory Preparatory School - J J Smith

Auditors

James Cowper LLP, 3 Wesley Gate, Queen's Road, Reading, Berkshire, RG1 4AP

Bankers

Lloyds TSB Bank Plc, 1-2 Market Place, Reading, Berkshire, RG21 2EQ

Solicitors

Veale Wasbrough, Orchard Court, Orchard Lane, Bristol, BS1 5DS

THE ORATORY SCHOOLS ASSOCIATION
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2011

Advisers (continued)

Investment Advisers

Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

Schroders, 31 Gresham Street, London EC2V 7QA

Insurance Broker

D E Ford Limited, Poppleton Grange, Low Poppleton Lane, York YO26 9GZ

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2011

The governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Oratory Schools Association (the company and the group) for the year ended 31 August 2011. The governors confirm that the Annual report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Oratory Schools Association is a Charity (Registered number 309112) constituted under a Declaration of Trust in 1927, amended by Deed of Agreement in 1931. It is incorporated as a company limited by guarantee. Its Memorandum of Association was amended by special resolutions on 2 March 1950, 11 June 1980, 5 November 1984, 30 April 1997 and 26 January 2011. Its Articles of Association were adopted by special resolution passed on 30 April 1964 and amended by special resolutions on 11 June 1980, 16 June 1982, 5 June 1986 and 30 April 1997. It is a registered charity.

Governing Body

The governors are charity trustees, directors and members of the company. New governors are appointed by the Board of Governors following screening and approval by the Finance & General Purpose Committee. Governors are appointed for three years after which they retire or are re-elected to the Board. The governors who served during the year were:

M H R Hasslacher	C J French
C J Sehmer	Dr C B T Hill Williams
B F H Bettlesworth	H H Judge K A D Hornby
Rev R J Byrne	N F Littlefair
Mrs M Cochrane	N R Purnell
Mrs M E Edwards	Rev J N Seward
Professor P W Evans	M W Stilwell
F J Fitzherbert-Brockholes	T A H Tyler

The members of the Board of Governors retiring by rotation at the next Annual General Meeting will be Mr N F Littlefair, Rev J N Seward and Mr T A H Tyler.

Recruitment and Training of Governors

New governors are elected by the existing governors, acting by majority. The governors are regularly seeking to recruit and appoint highly qualified volunteer governors and new governors are selected on the basis of the contribution that they will make to the governance of the Association and the skills that they will contribute. New governors are provided with a Governor's portfolio containing detailed information about the Association and the schools and given an introduction to the activities of the Association by a member of the Finance & General Purpose Committee. Existing governors are encouraged to be trained and are provided with training as and when required. All governors are encouraged to attend AGBIS seminars throughout the year to maintain an up to date knowledge of their role. A training day for all Governors took place in November 2011.

Organisational Management

The Governing Body provides strategic leadership to the Association. It meets formally three times a year. It elects a Finance & General Purpose Committee, which shall be not less than two nor more than seven members. The Finance & General Purpose Committee meets at least six times a year. There are Property and Education sub committees, which meet as required.

The members of the Finance & General Purpose Committee are detailed on the company general information

THE ORATORY SCHOOLS ASSOCIATION
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REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2011

page

The members of the Finance & General Purpose Committee retiring by rotation at the Annual General Meeting will be Prof P W Evans, Mr H M R Hasslacher and Mr N R Purnell

The day to day management of the schools is entrusted to the respective Headmasters supported by their Senior Management Teams, together with the Bursar. The Headmasters and the Bursar, who are listed in the company general information section, attend meetings of the Governing Body, the Finance & General Purpose Committee and the sub committees. The Bursar also acts as Clerk to the Governors.

Particulars of the Association's professional advisers are also detailed in the company general information section.

Group Structure and Relationships

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 donates the majority of its taxable profits to the Association under gift aid. The results and position of Oratory Trading Limited are included in the consolidated financial statements.

The Association also owns 100% of the ordinary share capital of Academy Catering Limited. This company is dormant.

Risk Management

The governors examine the major risks that the Association faces each financial year. Various sub-committees and key individuals have taken responsibility to monitor, control and report on these risks to mitigate any impact that they may have on the Association in the future.

The key controls used by the Association include

- formal agendas for all Board and committee activity
- detailed terms of reference for all committees
- comprehensive business planning, budgeting and management accounting
- established organisational structure and lines of reporting
- formal written policies
- clear authorisation and approval levels, and
- vetting procedures as required by law for the protection of the vulnerable

OBJECTIVES AND ACTIVITIES

Charitable Objects

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

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

The Oratory School was founded by Blessed John Henry Newman in 1859 specifically to meet the educational needs of the Roman Catholic laity, and in founding The Oratory School, Newman created a new type of Roman Catholic education which he foresaw as meeting the needs of the modern age. The Association now educates children of all Faiths, and none, in an inclusive Catholic context.

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 lay men and women 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.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2011

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

The Association is proud to have as its Founder a great Christian thinker, but is even more proud to be entrusted with his vision of Roman Catholic education to produce Christian educated young men and women for the modern age

Public Benefit Aims

The Association's principal purpose is to educate and, in doing so, it provides a number of benefits to the public, including

- Sharing its facilities with the local communities and organisations, primarily those with a Roman Catholic affiliation
- Providing means tested bursaries to enable boys and girls from less wealthy families to enjoy the benefits of an education by the Association
- Instilling in pupils a sense of public service and an understanding of how the benefits they have received through their education can be used to the advantage of the wider community
- Furthering the Association's charitable objects

The main beneficiaries from the Association's work are boys aged 3 to 18 and girls aged 3 to 13 attending its schools

The Association offers means tested bursary support for less well off families There are no geographic restrictions on entry

The governors have considered the operation of the Schools and do not believe that there is any detriment resulting from their activities that should be offset against the benefit they provide

The aims of the Association continue to be reviewed by the governors in the light of the Charity Commission's general guidance on public benefit and the governors are satisfied that the Objects and aims allow the delivery of public benefit that is related to the aims and the report that follows demonstrates that those benefits are tangible and considerable In the furtherance of these aims, the governors have complied with the duty in s 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under that Act

Educational Achievement at The Oratory School (Ages 11 to 18)

In 2010 the Holy Father Pope Benedict XVI travelled to the UK The high point of his visit was the Beatification of John Henry Newman and the Mass at Cofton Park was televised to millions across the world The School played a major role, including Choir, servers and in the Offertory Procession, where the Head Master represented the School

All Leavers secured a University place in the year that saw the greatest competition for places pre the rise in tuition fees The A Level year-group was mixed with some very pleasing top and bottom end results (eg Oxford to read Economics and Business Management) and some satisfactory middle-group performance The GCSE pass rate was virtually 100%, the first time that this has been achieved

The School is proud to have many sportsmen with club, county and international representative honours In 2007/8 the school, where sport plays a vital role, was recognised by The Daily Telegraph as The Independent School of the Year for Sport In 2011 the School was awarded the Best School in the UK for Sports by the Education Business Awards Old Boys have gone on to be professional Rugby, Football and Cricket players and others are shooting for Great Britain There are also opportunities for boys of all abilities to find talent and interest in sports through inter school and inter house competition in a variety of sports, including shooting,

THE ORATORY SCHOOLS ASSOCIATION
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REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2011

fencing, tennis and squash

There is a rich vein of music in the School with very able musicians giving public performances of a range of challenging pieces. The Music department exhibits both vocal and instrumental strengths. The Schola comprises about 70 boys and performs a repertoire of sacred music on a weekly basis.

The Art faculty was awarded best GCSE and A level in 2010/11 by The Good Schools Guide. The exam boards have also granted 'Foundation Status' to the department, allowing pupils to move beyond A level to the 1st year of Arts College qualification.

Educational Achievement at The Preparatory School (Ages 3 to 13)

The school continues to offer an all round education to boys and girls in its care and to encourage effort and achievement both inside and outside the classroom. This breadth of educational experience is evident from the number of awards gained by the pupils leaving at 11+ and 13+, who between them won a record 23 awards (academic, music, art, drama, sport and all-round). 41 pupils left Year 8 at the end of the summer term and all pupils gained a place at the school of their choice, with 16 boys going on to The Oratory School.

A new system of emailing home the three-weekly Report Cards was introduced during the year. Year 7 pupils won the Bradfield College Public Speaking competition and a Year 8 pupil won first prize in the Pax Travel competition to Rome on the Cofton Park experience. Significant changes were made to improve the School's provision for teaching English as an Additional Language.

The School continues to produce quality drama throughout the age range. Once again the OPS performed in the prestigious Shakespeare Schools Festival, this year with a production of *Othello*. Year 8 pupils also performed a production of *Joseph and the Technicolour Dreamcoat*. Years 3 and 4 put on an excellent production of *The Nativity: A Very Respectful Comedy*. The Pre-Prep children performed *Christmas Around the World* and *The Wind in the Willows* over the course of the year.

Music continues to be a particular strength, with nearly three quarters of pupils in the Prep part of the School receiving individual musical tuition and large numbers participating in the various choirs and instrumental ensembles. The highlight of the school's year was the participation by the Choristers in the Beatification Mass of Blessed John Henry Newman at Cofton Park. The School's Jazz Band went on tour to Torquay. The School took delivery of its new organ, a gift from The Oratory Schools Foundation, and Choristers took part in the Dorchester and Beulah Music Festivals.

In sport, all girls and boys had the chance to represent the School in competitive matches, as the School continued to pursue its twin aims of sporting excellence and "sport for all". Once again there was success in the National Prep Schools Javelin and in tennis the 1st team was "invicta". In cricket the 1st XI scored 258-4, a new School record, also scoring over 200 in another match. Two boys scored centuries - another School record. Strength in depth is illustrated by the excellent season of the 2nd XI, who lost only once. At Easter the Year 8 cricketers toured South Africa. The football 1st XI were unbeaten.

Rugby Football continued to be a flagship sport for the School, and 2010-11 was no exception. Three boys in the U13s and two in the U11s were selected for the South East Prep Schools Barbarians. The Colts A were the most successful side, winning both Stonyhurst and Oratory Sevens tournaments and losing only one match in the season. In hockey the U11 girls were the most successful team, winning the OPS Festival and losing only once. The Year 8 netballers went on tour to Malta at Easter.

Academic Scholarships were introduced into Year 3, with three OPS Year 2 pupils achieving these awards. The Pre-Prep *Esprit de Corps* Prize was re-launched and awarded at Prizegiving.

Public Benefit Achievements

In addition to its educational work, it remains an objective for the Association to be a good neighbour to and to be an active part of the local community. The governors believe that a school has a duty to extend its services to its community, and can thus, in the broadest sense, identify its beneficiaries as all who benefit from the institution.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2011

The Association also provides space and support for a number of organisations, including

Annual free use of residential facilities for two holidays by the Newman Trust

Annual free use of facilities by Cabrini (formerly the Catholic Children's Society)

Subsidised use of facilities for a youth weekend by the Catholic Truth Society

Subsidised use of facilities for a family weekend retreat by the Latin Mass Society

It raises funds continually for a number of charities and it makes its sports facilities available mostly at no cost or for a nominal charge to a large number of local clubs and groups

It undertakes building maintenance work for the Sisters of the Work who are custodians of The College, Littlemore, Oxford (where Newman resided prior to his conversion to Catholicism)

The governors continuously keep under review the public benefit that the Association provides. The Board of Governors considered, in particular, the supplementary guidance for charities that advance education and for fee charging charities and built its conclusions into its Public Benefit Strategy

Benefit must be measured in comparison with the Association's objective of providing school places for up to 900 pupils. The governors have considered the Charity Commission's guidance and have concluded that its main beneficiaries are the 800 or so pupils that currently receive an education at the School. As a fee charging charity, the governors also have a duty to ensure that the beneficiaries are from a sufficient section of the public, that access to benefits is not unreasonably restricted through ability to pay and that the poor are not excluded. The excellent education provided to the Schools' pupils and the schools' (means tested) bursary scheme are therefore central to its task of delivering public benefit

In 2010-11 there were 67 pupils (65 in 2010) receiving bursaries for all or part of their fees, according to their families' circumstances. The Association also provides three completely free places to be awarded to deserving Catholic pupils who would not otherwise be able to afford the fees

The Association offers a variety of scholarships at The Oratory School recognising academic, sporting and musical ability as well as all round achievement. Scholarships are awarded by the Head Master following examination and review. Scholarships are being introduced at The Oratory Preparatory School with effect from September 2011

The Association has gradually been reducing the value of scholarships awarded as a proportion of total fees and increasing the amounts awarded through means tested bursaries. However, because scholarships awarded at age 11 or 13 will be effective for seven or five years, the total cost of scholarships will fall slowly. In 2010-11 the cost of scholarships amounted to £398,779 (3.11% of total fees) [£403,000- 3.52%, 2010]. The cost of means tested bursaries and free places at both schools amounted to £338,917 (2.65% of total fees) [£320,000- 2.8%, 2010]

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The principal activities for the year have been the running of two schools with 425 senior pupils and 376 junior pupils and the continued development and enhancement of the organisation

A number of works were completed at The Oratory School, including the refurbishment of the Senior Common Room and the final section of Morey Building window replacement, Chemistry Department, Careers rooms, St Philip House showers/changing facilities and the Sports Hall

The dining facilities at The Oratory Preparatory School were enlarged and a new and refurbished Reception area built. The boarding House was also refurbished during the year

THE ORATORY SCHOOLS ASSOCIATION
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REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2011

Investment Performance

The major part of the Association's portfolio is managed by Ruffer LLP and showed a 6% improvement over the twelve months to 30th September 2011. Their results are monitored on a regular basis.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Reserves Policy

The notes to the financial statements detail the level and movement of reserves held by the Association. The reserves policy has been based on the Association's objectives. Its main features are:

To provide resources to cover for unexpected or unavoidable expenditure that cannot be met from current income.

To achieve a margin of working capital sufficient to enable all aspects of the schools' activities to be conducted efficiently.

To build reserves to repay borrowed funds used for the major building programme for improving boarding and other facilities.

Donations

The donation received in the previous year from the Tolkien Trust paid for a sculpted statue of St Philip Neri, the Schools' Patron.

Results for the Year

2011 was an excellent year for the Association. Both schools performed substantially better than budget and consolidated funds increased by £859,282 [£231,173 in 2010].

The accounting standard FRS17 in respect of pensions was implemented in 2006, the effects of this are detailed in note 25 to the accounts.

The Governors' policy is to maintain adequate liquidity either from cash or overdraft facilities. The Governors have continued to keep the bank overdraft facility under review to ensure there is adequate cover for the schools' working capital requirements.

Investment Policy

The Governors' powers are 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. The Association has placed its funds with professional managers and monitors the results on a regular basis.

FUTURE PLANS

The Association's key objectives are:

To maintain the school rolls at normal level of approximately 400 at each school.

To maintain and improve the current high standards of academic achievement as measured by external public examinations and independent value added criteria.

To upgrade the Sports Centre at The Oratory School.

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REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2011

To renovate the dining facilities at The Oratory School

To enlarge Pre-Prep buildings to include a nursery

To relocate and construct a new Maintenance/Grounds facility at the Preparatory School

To continue to build links with junior schools

To continue to build and encourage community access to the schools' facilities

Fixed Assets

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

The value of the land and buildings for insurance purposes is approximately £19,360,000 higher than book value. No calculation of the deferred tax arising on this excess has been made because The Oratory School Trust has no intention to sell and the company is not subject to UK corporation tax.

GOVERNORS' RESPONSIBILITIES STATEMENT

The governors (who are also directors of The Oratory Schools Association for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the governors 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards 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 group will continue in operation.

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are governors at the time when this Governors' report is approved has confirmed that

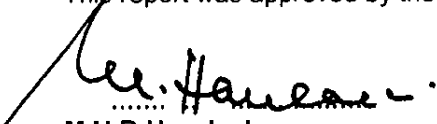
- so far as that governor is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that governor has taken all the steps that ought to have been taken as a governor in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2011

The auditors, James Cowper LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006

This report was approved by the governors on 08/02/12 and signed on their behalf, by


M H R Hasslacher

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ORATORY SCHOOLS ASSOCIATION

We have audited the financial statements of The Oratory Schools Association for the year ended 31 August 2011 set out on pages 13 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the governors (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2011 and of the group's 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

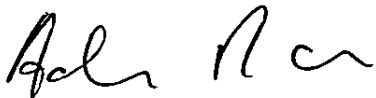
THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ORATORY SCHOOLS ASSOCIATION

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mr Adrian Rann (Senior Statutory Auditor)

for and on behalf of

James Cowper LLP

Chartered Accountants and Statutory Auditor

3 Wesley Gate
Queen's Road
Reading
Berkshire
RG1 4AP
Date

1.3.12

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2011

	Note	Unrestricted funds 2011 £	Total funds 2010 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Donations	2	6,300	85,000
Activities for generating funds	3,4	524,353	513,272
Investment income	5	18,028	16,319
Incoming resources from charitable activities			
School fees	6	11,629,008	10,710,322
Other ancillary income	6	128,955	185,674
Other incoming resources		81,013	169,272
TOTAL INCOMING RESOURCES		12,387,657	11,679,859
RESOURCES EXPENDED			
Costs of generating funds			
Fundraising	4	281,548	302,788
Charitable activities			
Teaching	7	5,309,627	5,254,786
Welfare	7	1,970,000	1,932,075
Premises	7	2,831,100	2,766,573
Support costs	7	1,105,184	1,097,944
Governance costs	7	107,394	85,307
TOTAL RESOURCES EXPENDED	7	11,604,853	11,439,473
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		782,804	240,386
Investment gains	14	19,478	72,787
Actuarial gains and losses on defined benefit pension schemes		57,000	(82,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		859,282	231,173
Total funds at 1 September 2010		11,679,757	11,448,584
TOTAL FUNDS AT 31 AUGUST 2011		12,539,039	11,679,757

All activities relate to continuing operations

The notes on pages 18 to 38 form part of these financial statements

THE ORATORY SCHOOLS ASSOCIATION
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CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2011

	Note	Unrestricted funds 2011 £	Total funds 2010 £
TOTAL INCOME		12,387,657	11,679,859
LESS TOTAL EXPENDITURE		11,604,853	11,439,473
Actuarial gains and losses related to pension scheme	25	57,000	(82,000)
NET INCOME FOR THE YEAR		839,804	158,386

The notes on pages 18 to 38 form part of these financial statements

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities which together with notes to the financial statements provides the full information on the movements during the year on all funds of the group

The parent company has taken advantage of Section 408 Companies Act 2006 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 £843,615 (2010 Surplus £227,241)

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

THE ORATORY SCHOOLS ASSOCIATION

(A company limited by guarantee)
REGISTERED NUMBER: 00259021

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2011**

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible fixed assets	13		19,670,703		19,796,205
Fixed asset investments	14		966,427		889,476
			<u>20,637,130</u>		<u>20,685,681</u>
CURRENT ASSETS					
Stocks		128,340		134,539	
Debtors	15	377,353		147,776	
Cash at bank		75,204		188,454	
		<u>580,897</u>		<u>470,769</u>	
CREDITORS amounts falling due within one year	16	(2,799,412)		(3,395,095)	
NET CURRENT LIABILITIES			(2,218,515)		(2,924,326)
TOTAL ASSETS LESS CURRENT LIABILITIES			18,418,615		17,761,355
CREDITORS amounts falling due after more than one year	17		(5,847,576)		(5,985,598)
NET ASSETS EXCLUDING PENSION SCHEME DEFICIT			12,571,039		11,775,757
Defined benefit pension scheme deficit	25		(32,000)		(96,000)
NET ASSETS INCLUDING PENSION SCHEME DEFICIT			<u>12,539,039</u>		<u>11,679,757</u>
CHARITY FUNDS					
Unrestricted funds					
Unrestricted funds excluding pension deficit	19	12,571,039		11,775,757	
Pension reserve	19	(32,000)		(96,000)	
Total unrestricted funds			<u>12,539,039</u>		<u>11,679,757</u>
			<u>12,539,039</u>		<u>11,679,757</u>

The financial statements were approved by the governors on behalf, by

M H R Hasslacher

C J Sehmer

8/2/2012

and signed on their

The notes on pages 18 to 38 form part of these financial statements

THE ORATORY SCHOOLS ASSOCIATION

(A company limited by guarantee)
REGISTERED NUMBER 00259021

**COMPANY BALANCE SHEET
AS AT 31 AUGUST 2011**

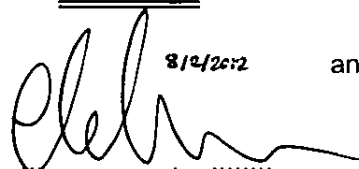
	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible fixed assets	13		19,644,567		19,785,947
Fixed asset investments	14		976,428		899,477
			<u>20,620,995</u>		<u>20,685,424</u>
CURRENT ASSETS					
Stocks		31,287		34,590	
Debtors	15	405,627		258,132	
Cash at bank		33,887		51,720	
		<u>470,801</u>		<u>344,442</u>	
CREDITORS: amounts falling due within one year	16	(2,706,575)		(3,286,238)	
NET CURRENT LIABILITIES			<u>(2,235,774)</u>		<u>(2,941,796)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,385,221</u>		<u>17,743,628</u>
CREDITORS amounts falling due after more than one year	17		(5,847,576)		(5,985,598)
NET ASSETS EXCLUDING PENSION SCHEME DEFICIT			<u>12,537,645</u>		<u>11,758,030</u>
Defined benefit pension scheme deficit	25		(32,000)		(96,000)
NET ASSETS INCLUDING PENSION SCHEME DEFICIT			<u><u>12,505,645</u></u>		<u><u>11,662,030</u></u>
CHARITY FUNDS					
Unrestricted funds					
Unrestricted funds excluding pension deficit		12,537,645		11,758,030	
Pension reserve		<u>(32,000)</u>		<u>(96,000)</u>	
Total unrestricted funds			<u><u>12,505,645</u></u>		<u><u>11,662,030</u></u>
			<u><u>12,505,645</u></u>		<u><u>11,662,030</u></u>

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THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	20	1,565,123	1,532,208
Returns on investments and servicing of finance	21	18,028	16,319
Capital expenditure and financial investment	21	(1,033,711)	(584,397)
CASH INFLOW BEFORE FINANCING		<u>549,440</u>	<u>964,130</u>
Financing	21	(169,763)	(343,068)
INCREASE IN CASH IN THE YEAR		<u><u>379,677</u></u>	<u><u>621,062</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 AUGUST 2011**

	2011 £	2010 £
Increase in cash in the year	379,677	621,062
Cash outflow from decrease in debt and lease financing	169,763	343,068
MOVEMENT IN NET DEBT IN THE YEAR	<u>549,440</u>	<u>964,130</u>
Net debt at 1 September 2010	(5,625,344)	(6,589,474)
NET DEBT AT 31 AUGUST 2011	<u><u>(5,075,904)</u></u>	<u><u>(5,625,344)</u></u>

The notes on pages 18 to 38 form part of these financial statements

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

1 ACCOUNTING POLICIES

1.1 Assets not recognised in the annual accounts

The Oratory Schools Association owns a number of paintings and statues which it has acquired over the years. No valuation of these items has been undertaken and therefore they have not been capitalised in the financial statements.

Financial Reporting Standard No. 15 (FRS 15) first applied to the financial statements for the year ended 31 August 2000. Under FRS 15, the Trust would be required to capitalise on its balance sheet all tangible fixed assets, including heritage assets. As transitional arrangements providing certain conditions apply, FRS 15 would permit the Association to exclude from its balance sheet those heritage assets acquired prior to 1 March 2000. However, any assets acquired, or any improvements made, after 1 March 2000 would have to be capitalised.

The Oratory Schools Association does not believe that the valuation of these assets would be appropriate expenditure of charitable funds as they have no intention of disposing of them.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the governors in furtherance of the general objectives of the company and which have not been designated for other purposes.

1.5 Incoming resources

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Any amounts received for services not yet provided are included in creditors as fees received in advance. Fees receivable are stated before deducting bursaries, scholarships and other allowances. These are included in fees receivable at the amount of the bursary/scholarship awarded.

Donations received for the general purposes of the charity are included as unrestricted funds.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

1 ACCOUNTING POLICIES (continued)

1.6 Resources expended

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.

1.7 Grants payable

No grants are made except for scholarships and bursaries.

1.8 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 operates a group personal pension defined benefit scheme. The 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 schemes are given in the notes to the financial statements.

1.9 Tangible fixed assets and depreciation

All assets costing more than £500 with an estimated life of 3 years or more are capitalised along with collections of smaller items if the listed value is significant.

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 buildings 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.

In addition to the capitalised fixed assets held for the charity's own use, The Oratory Schools Association also has a number of paintings and statues which span the history of the school and depict a number of its figureheads. No valuation of these has been made and accordingly these assets have not been capitalised in the financial statements.

The original school buildings, freehold land and assets under construction are not depreciated.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles / plant and equipment	-	25% straight line
Building improvements	-	10% straight line

1.10 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

1 ACCOUNTING POLICIES (continued)

1 11 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term

1 12 Stocks

Stocks are valued at the lower of cost and net realisable value

1 13 Liabilities

Liabilities are recognised and provisions made in accordance with FRS 12

1 14 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. Transfers are made to fees each term at the rate applying when the capital payment was made.

1 15 Deposits received in advance

The School receives a deposit from each pupil when they join. These deposits are repayable on demand when the pupil leaves. However, as only a small proportion of pupils are expected to leave within 12 months the deposits received are treated as being due after one year.

1.16 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated statement of financial activities.

2 VOLUNTARY INCOME

	Unrestricted funds 2011 £	Total funds 2010 £
General donations	6,300	85,000

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

3 NON ANCILLARY TRADING INCOME

	Unrestricted funds 2011 £	Total funds 2010 £
Non ancillary trading income	150,487	125,211

Non ancillary trading income

	2011 £	2010 £
External courses, summer schools, sports tuition	109,813	85,184
Rents and recharges	13,046	15,515
School fees protection insurance	27,628	24,512
Total	150,487	125,211

4 TRADING INCOME OF SUBSIDIARY UNDERTAKINGS

	Unrestricted funds 2011 £	Total funds 2010 £
Trading income		
Trading income	373,866	388,061
Trading expenditure		
Trading expenses	281,548	302,788
	281,548	302,788
Net income from trading income of subsidiary undertakings	92,318	85,273

5 INVESTMENT INCOME

	Unrestricted funds 2011 £	Total funds 2010 £
Investment income	18,028	16,319
	18,028	16,319

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

Investment income

	2011 £	2010 £
Treasury stock	1,224	1,264
Unit trusts and investments	16,804	15,055
Total	18,028	16,319

Split by location

	2011 £	2010 £
Investment assets in the UK	1,224	1,264
Investment assets outside the UK	16,804	15,055
Total	18,028	16,319

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

School fees

	2011 £	2010 £
Gross fees	12,370,669	11,433,288
Less scholarships and bursaries	(741,661)	(722,966)
Total	11,629,008	10,710,322

Other ancillary income

	2011 £	2010 £
Consolidated extras	93,429	148,390
Registration fees and forfeited deposits	35,526	37,284
Total	128,955	185,674

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Fundraising	-	8,692	272,856	281,548	302,788
Costs of generating funds	-	8,692	272,856	281,548	302,788
Teaching costs	4,476,840	120,142	712,645	5,309,627	5,254,786
Welfare	1,108,077	15,986	845,937	1,970,000	1,932,075
Premises	583,425	997,965	1,249,710	2,831,100	2,766,573
Support costs	670,476	-	434,709	1,105,185	1,097,944
Charitable activities	6,838,818	1,134,093	3,243,001	11,215,912	11,051,378
Governance	26,660	-	80,734	107,394	85,307
	6,865,478	1,142,785	3,596,591	11,604,854	11,439,473

8 NET INCOMING RESOURCES

This is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the charity	1,134,093	1,146,221
Depreciation of tangible fixed assets - owned by the subsidiary	8,692	446
Interest payable	247,951	265,937

During the year, no governors received any remuneration (2010 - £NIL)

During the year, no governors received any benefits in kind (2010 - £NIL)

6 governors received reimbursement of expenses amounting to £4,069 in the current year, (2010 - 9 governors - £3,517) The Association paid £2,000 during the year to purchase indemnity insurance for the Governors and the employees of the Association

Included in net incoming resources in the prior year is a profit of £169,272 on the disposal of the L'Oratoire property in France

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

9 AUDITORS' REMUNERATION

	2011 £	2010 £
Audit fees	15,500	15,500
Other services	14,495	12,514
	<u>15,500</u>	<u>12,514</u>

10 STAFF COSTS

Staff costs were as follows

	2011 £	2010 £
Wages and salaries	5,814,339	5,708,987
Social security costs	472,162	452,571
Other pension costs (Note 25)	578,977	570,789
	<u>6,865,478</u>	<u>6,732,347</u>

The average monthly number of employees during the year was as follows

	2011 No	2010 No
Educational Staff	131	127
Domestics and Matron	40	42
Administrative	31	29
Maintenance and Grounds	23	23
Catering	44	48
	<u>269</u>	<u>269</u>

The number of higher paid employees was

	2011 No	2010 No
In the band £70,001 - £80,000	2	0
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £200,000	1	1
	<u>4</u>	<u>3</u>

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

11 FINANCE COSTS

	2011 £	2010 £
Loan interest payable	247,951	265,937
Bank charges	25,403	55,827
Brokers charges	3,595	2,861
	<u>276,949</u>	<u>324,625</u>

12 TRADING INCOME

The Association owns 100% of the ordinary share capital of Academy Catering Limited. This company provided catering and linen hire to third parties. It has been dormant for the whole of 2010 and 2011.

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 donates the majority of its taxable profits to the Association and pays interest on monies owed to the Association. Its trading results extracted from its audited accounts were:

ORATORY TRADING LIMITED

	2011 £	2010 £
Turnover	373,866	388,061
Cost of sales	(171,302)	(194,988)
Gross profit	<u>202,564</u>	<u>193,073</u>
Administration (including interest paid)	(110,246)	(107,800)
Other operating income	-	-
Operating profit	<u>92,318</u>	<u>85,273</u>
Interest receivable	-	-
Net profit	<u>92,318</u>	<u>85,273</u>
Donated under gift aid	(76,652)	(81,341)
Retained profit	<u>15,666</u>	<u>3,932</u>
Retained profit brought forward	15,267	11,335
Retained profit carried forward	<u><u>30,933</u></u>	<u><u>15,267</u></u>

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

13 TANGIBLE FIXED ASSETS

Group	Land and buildings £	Plant and equipment £	Total £
Cost			
At 1 September 2010	25,878,249	3,786,076	29,664,325
Additions	868,101	303,137	1,171,238
Disposals	(182,496)	(131,765)	(314,261)
At 31 August 2011	26,563,854	3,957,448	30,521,302
Depreciation			
At 1 September 2010	6,922,534	2,945,586	9,868,120
Charge for the year	824,877	317,908	1,142,785
On disposals	(28,541)	(131,765)	(160,306)
At 31 August 2011	7,718,870	3,131,729	10,850,599
Net book value			
At 31 August 2011	18,844,984	825,719	19,670,703
At 31 August 2010	18,955,715	840,490	19,796,205

Company	Land and buildings £	Plant and equipment £	Total £
Cost			
At 1 September 2010	25,878,249	3,746,623	29,624,872
Additions	868,101	278,567	1,146,668
Disposals	(182,496)	(131,765)	(314,261)
At 31 August 2011	26,563,854	3,893,425	30,457,279
Depreciation			
At 1 September 2010	6,922,534	2,916,391	9,838,925
Charge for the year	824,877	309,216	1,134,093
On disposals	(28,541)	(131,765)	(160,306)
At 31 August 2011	7,718,870	3,093,842	10,812,712
Net book value			
At 31 August 2011	18,844,984	799,583	19,644,567
At 31 August 2010	18,955,715	830,232	19,785,947

Included in land and buildings is freehold land at cost of £251,080 (2010 - £251,080) which is not depreciated

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

14 FIXED ASSET INVESTMENTS

Group	Quoted and other investments £
Market value	
At 1 September 2010	889,476
Additions	284,923
Disposal at open market value	(227,450)
Revaluations	19,478
At 31 August 2011	966,427
Historical cost	727,918

Group investments at market value comprise

	2011 £	2010 £
Quoted and other investments	966,427	889,476

Group material investments

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

	31 August 2011	31 August 2010
Treasury Stock - 2010 1 25%	94,940	111,647
Ruffer Income Fund Inc	525,814	453,447
Gold Bullion Securities 0% undated NTS US\$	62,604	50,706
	683,358	615,800

The Association owns 100% of the issued share capital of two subsidiaries with a book value of £10,001 (2010 £10,001) and therefore consolidated quoted investments are £966,427 (2010 £889,476) Of these quoted investments, £871,487 are invested in investment trusts and £94,940 are invested in fixed interest investment trusts

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

14. FIXED ASSET INVESTMENTS (continued)

	Quoted and other investments £	Sub total carried forward £
Company		
Market value		
At 1 September 2010	889,476	889,476
Additions	284,923	284,923
Disposals	(227,450)	(227,450)
Revaluations	19,478	19,478
	<u>966,427</u>	<u>966,427</u>
At 31 August 2011	<u>966,427</u>	<u>966,427</u>
Historical cost	<u>727,918</u>	<u>727,918</u>
	Sub total brought forward £	Shares in group undertakings £
Company		Total £
Market value		
At 1 September 2010	889,476	20,000
Additions	284,923	-
Disposals	(227,450)	-
Revaluations	19,478	-
	<u>966,427</u>	<u>20,000</u>
At 31 August 2011	<u>966,427</u>	<u>20,000</u>
Impairment		
At 1 September 2010 and 31 August 2011	-	9,999
Net book value		
At 31 August 2011	<u>966,427</u>	<u>10,001</u>
At 31 August 2010	<u>889,476</u>	<u>10,001</u>
Historical cost	<u>727,918</u>	<u>-</u>
Company investments at market value comprise		
	2011 £	2010 £
Quoted and other investments	966,427	889,476
Group	10,001	10,001
Total	<u>976,428</u>	<u>899,477</u>

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

Analysis of the market value of listed investments

	2011 £	2010 £
UK fixed interest	93,940	111,647
Investment trusts	749,710	691,662
UK shares	122,777	86,167
Total	966,427	889,476

The assets and liabilities of the subsidiaries were

ORATORY TRADING LIMITED

	2011 £	2010 £
Tangible fixed assets	26,136	10,258
Net current assets	14,797	15,009
	40,933	25,267
Representing		
Share capital	10,000	10,000
Profit and loss account	30,933	15,267
	40,933	25,267

ACADEMY CATERING LIMITED

	2011 £	2010 £
Net current assets	12,460	12,460
	12,460	12,460
Representing:		
Share capital	10,000	10,000
Profit and loss account	2,460	2,460
	12,460	12,460

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

15 DEBTORS

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	249,932	72,646	189,666	55,408
Amounts owed by group undertakings	-	-	88,540	133,117
Prepayments and accrued income	127,421	75,130	127,421	69,607
	<u>377,353</u>	<u>147,776</u>	<u>405,627</u>	<u>258,132</u>

Trade debtors

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Fees	187,902	43,083	187,902	43,083
Trade debtors	60,266	17,237	-	-
Other debtors	1,764	12,326	1,764	12,325
	<u>249,932</u>	<u>72,646</u>	<u>189,666</u>	<u>55,408</u>

16 CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	627,334	1,104,898	627,334	1,104,898
Trade creditors	541,558	743,330	527,243	709,637
Social security and other taxes	52,131	194,223	-	141,651
Other creditors	-	26,997	-	27,000
Advance fees	1,578,389	1,325,647	1,551,998	1,303,052
	<u>2,799,412</u>	<u>3,395,095</u>	<u>2,706,575</u>	<u>3,286,238</u>

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

17 CREDITORS.
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	4,523,774	4,708,900	4,523,774	4,708,900
Fee deposits and advance fees	1,224,227	1,171,473	1,224,227	1,171,473
Deferred income	99,575	105,225	99,575	105,225
	<u>5,847,576</u>	<u>5,985,598</u>	<u>5,847,576</u>	<u>5,985,598</u>

Included within the above are amounts falling due as follows

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Between one and two years				
Bank loans	310,538	295,175	310,538	295,175
Between two and five years				
Bank loans	931,616	867,623	931,616	867,623
Over five years				
Bank loans	3,281,620	3,546,102	3,281,620	3,546,102

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Repayable by instalments	3,281,620	3,546,102	3,281,620	3,546,102

The bank loans are repayable by instalments at an interest rate determined by Lloyds TSB Bank plc

The bank overdraft and loans are secured by mortgages over certain freehold properties and land owned by the association as well as a letter of negative pledge dated 14 June 2000. This letter of negative pledge, which is held by Lloyds TSB Bank plc, guarantees that the Oratory Schools Association will ask for the permission of the bank before it charges any of the assets that it holds to another third party.

SECURED DEBTS

	2011	2010
	£	£
Bank overdraft	316,795	809,723
Bank loans	4,838,942	5,004,075
Total	<u>5,155,737</u>	<u>5,813,798</u>

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18 ADVANCE FEE PAYMENT SCHEME

Included in creditors for the Association are amounts received into the advance fee payment scheme. The accounting policy for this is detailed in accounting policies. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2011 £	2010 £
After 5 years	21,240	25,692
Within 2 to 5 years	49,288	74,240
Within 1 to 2 years	53,524	48,116
Within 1 year	124,052	148,048
	60,271	145,097
Total	184,323	293,145

Movements during the year

	2011 £	2010 £
Balance at 1 September 2010	293,145	427,103
New contracts	43,730	119,464
Amounts utilised in payment of fees	336,875 (152,552)	546,567 (253,422)
Balance at 31 August 2011	184,323	293,145

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19 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General Funds - all funds	11,775,757	12,387,657	(11,611,853)	19,478	12,571,039
Pension reserve	(96,000)	-	7,000	57,000	(32,000)
	<u>11,679,757</u>	<u>12,387,657</u>	<u>(11,604,853)</u>	<u>76,478</u>	<u>12,539,039</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	<u>11,679,757</u>	<u>12,387,657</u>	<u>(11,604,853)</u>	<u>76,478</u>	<u>12,539,039</u>

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

20 NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Net incoming resources before revaluations	782,804	240,386
Returns on investments and servicing of finance	(18,028)	(16,319)
Depreciation of tangible fixed assets	1,142,785	1,146,666
Decrease/(increase) in stocks	6,199	(17,885)
(Increase)/decrease in debtors	(229,577)	23,236
(Decrease)/increase in creditors	(119,060)	156,124
Net cash inflow from operations	<u>1,565,123</u>	<u>1,532,208</u>

21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Income from investments	<u>18,028</u>	<u>16,319</u>

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21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,171,238)	(736,499)
Sale of tangible fixed assets	195,000	169,272
Purchase of investments	(284,923)	(332,248)
Sale of investments	227,450	315,078
	<u>(1,033,711)</u>	<u>(584,397)</u>
Net cash outflow capital expenditure		
	2011 £	2010 £
Financing		
Repayment of loans	<u>(169,763)</u>	<u>(343,068)</u>

22 ANALYSIS OF CHANGES IN NET DEBT

	1 September 2010 £	Cash flow £	Other non-cash changes £	31 August 2011 £
Cash at bank and in hand	188,454	(113,250)	-	75,204
Bank overdraft	(809,723)	492,927	-	(316,796)
	<u>(621,269)</u>	<u>379,677</u>	<u>-</u>	<u>(241,592)</u>
Debt				
Debts due within one year	(295,175)	(15,363)	-	(310,538)
Debts falling due after more than one year	(4,708,900)	185,126	-	(4,523,774)
Net debt	<u>(5,625,344)</u>	<u>549,440</u>	<u>-</u>	<u>(5,075,904)</u>

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23. CONTINGENT LIABILITIES AND ASSETS

The school received a grant in 1994 from the Combined Cadet Force (CCF) towards the cost of certain property improvements

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 a 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 2011 an amount of £5,247 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 2011 an amount of £75,000 would have been payable to the CCF if they had ceased to use this facility for reasons outside their control within 20 years of the issue of the further grant.

A contingent asset exists in respect of an insurance claim for various items of plant and equipment destroyed during the year. The amount claimed is £34,397.

24. CAPITAL COMMITMENTS

At 31 August 2011 the group and company had capital commitments as follows:

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Contracted for but not provided in these financial statements	30,000	15,000	-	-

25. PENSION SCHEMES

The company sponsors The Oratory Schools Association Retirement & Death Benefits Scheme, a defined benefit arrangement which closed to future accrual on 1 December 1999. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 December 2008 and has been updated to 31 August 2011.

Agreed practice is that the School should contribute at a level sufficient to cover the administrative expenses of the Scheme.

The amounts recognised in the balance sheet are as follows:

	2011	2010
	£	£
Present value of funded obligations	(898,000)	(1,085,000)
Fair value of scheme assets	866,000	989,000
Net liability	(32,000)	(96,000)

Pension scheme assets are all invested in with-profit policies. Expected long term rate of return was 5.00% (2010: 5.00%).

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**NOTES TO THE FINANCIAL STATEMENTS
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25 PENSION SCHEMES (continued)

The amounts recognised in profit or loss are as follows

	2011 £	2010 £
Interest on pension scheme liabilities	48,000	53,000
Expected return on pension scheme assets	(45,000)	(46,000)
Total	<u>3,000</u>	<u>7,000</u>

Changes in the present value of the defined benefit obligation are as follows

	2011 £	2010 £
Opening defined benefit obligation	1,085,000	986,000
Actuarial (gains) / losses	(49,000)	78,000
Contributions by scheme participants	48,000	53,000
Benefits paid and death in service insurance premiums	(186,000)	(32,000)
Closing defined benefit obligation	<u>898,000</u>	<u>1,085,000</u>

Changes in the fair value of scheme assets are as follows

	2011 £	2010 £
Opening fair value of scheme assets	989,000	893,000
Actuarial gains / (losses)	8,000	(4,000)
Expected return on scheme assets	45,000	46,000
Contributions by employer	10,000	86,000
Benefits paid and death in service insurance premiums	(186,000)	(32,000)
	<u>866,000</u>	<u>989,000</u>

The best estimate of contributions to be paid by the employer to the scheme for the period beginning after 31 August 2011 is £10,200

The assets of the scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions

	2011	2010
Discount rate at 31 August	5.40 %	4.80 %
Pension in payment increases in line with inflation up to 5% per annum	3.30 %	2.90 %
Revaluation rate for deferred pensioners	3.40 %	3.00 %
Inflation	3.40 %	3.00 %

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25 PENSION SCHEMES (continued)

The mortality assumption adopted at 31 August 2011 imply the following life expectancies

Male retiring at age 65 in 2011	22.5
Female retiring at age 65 in 2011	25.0
Male retiring at age 65 in 2031	24.4
Female retiring at age 65 in 2031	26.8

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2011 £	2010 £	2009 £	2008 £	2007 £
Present value of scheme liabilities	(898,000)	(1,085,000)	(986,000)	(903,000)	(871,000)
Fair value of scheme assets	866,000	989,000	893,000	841,000	877,000
(Deficit)/surplus in scheme	(32,000)	(96,000)	(93,000)	(62,000)	6,000
Experience adjustments on scheme liabilities	(18,000)	19,000	19,000	(13,000)	3,000
Experience adjustments on scheme assets	8,000	(4,000)	(23,000)	(2,000)	26,000

Teachers Superannuation Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School.

The latest valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1st April 2001 to 31st March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1st January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations), a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%.

The pension charge for the year includes contributions payable to the scheme of £10,218 (2010: £86,017).

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26 OPERATING LEASE COMMITMENTS

At 31 August 2011 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		2011	Other
	2011	2010		
Group	£	£	£	£
Expiry date				
Between 2 and 5 years	-	-	51,664	44,272

27 RELATED PARTY TRANSACTIONS

The company is controlled by the Board of Governors

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 publically available, the company has taken advantage of the exemption under FRS8 not to disclose intra-group transactions