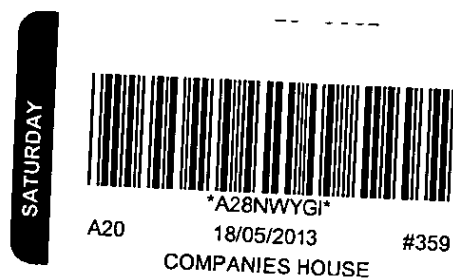


Company registered number 259021
Charity registered number 309112

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

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**



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 2012

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 Seward
M W Stilwell *
T A H Tyler
(* Member of the Finance & General Purpose Committee as at 31 August 2012)

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 Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5DS

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

FOR THE YEAR ENDED 31 AUGUST 2012

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 2012

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 2012. 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 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 Seward
M W Stilwell
T A H Tyler

The members of the Board of Governors retiring by rotation at the next Annual General Meeting will be Mrs M E Edwards, Mr F J Fitzherbert-Brockholes and Dr C B T Hill Williams.

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, with a further training day on Child Protection scheduled for 2013.

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 ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

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

The members of the Finance & General Purpose Committee retiring by rotation at the Annual General Meeting will be Mr C J Sehmer and Mr M W Stilwell

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.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

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.

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 2011 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)

The A Level and GCSE results saw a substantial rise in the top grades (A*) despite a fall nationally. At A Level there was a 6.7% increase at A* and at GCSE a 5.4% increase at A*.

The Summer results were very pleasing with a noticeable first: all boys passed GCSE English, despite the school having moved to the more challenging IGCSE.

At the beginning of the academic year the school was awarded the Education and Business Awards UK School of the Year for Sport – the second national award for Sport in five years.

The Shooting Master was appointed as Adjutant of the UK Cadets Shooting Team, and one boy was selected for national representation.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

A generous donation from a set of parents enabled the Head Master to bring forward the complete refurbishment of the Theatre, and this was begun in the Summer holidays, alongside the extensive preparation for the major redevelopment of the Sports Centre

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 18 awards (academic, music, art, drama, sport and all round). 11 pupils left Year 6 and 43 pupils left Year 8 at the end of the summer term, with 18 boys going on to The Oratory School.

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 *Richard III*. Years 3 and 4 put on an excellent production of *Peace and Goodwill* and Year 6 performed *The Lion, the Witch and the Wardrobe*. Year 7 pupils were second in the Bradfield College Public Speaking competition and the English Department published a 400-page anthology, entitled *My Utopia and other reflections*.

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.

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". Strength in depth is illustrated by the excellent season of the 3rd cricket XI, who lost only once. At Easter the Year 8 boys went on a Rugby tour to northern Italy.

Rugby Football continued to be a flagship sport for the School, and 2011-12 was no exception. Four boys were selected for the South East Prep Schools Barbarians, one of whom was selected for the England Barbarians side. The 1st XV were the most successful side, unbeaten in inter-school matches, winning several tournaments and losing semi-finalists at the National Prep School Sevens. The 3rd XV were also unbeaten. In hockey the U11 girls were the most successful team. In football our Under 9A side lost only once and won the prestigious Moultsford Tournament.

Academic Scholarships into Year 3 were awarded for the second year, with three OPS Year 2 pupils achieving these awards. English Speaking Board examinations were introduced into the Pre-Prep department.

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 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

Subsidised use of facilities for a residential Priests' conference by the Colloquium of Catholic Clergy

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.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

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 2011-12 there were 65 pupils (67 in 2011) 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 were introduced at The Oratory Preparatory School in September 2011.

The Association intends to reduce the value of scholarships awarded as a proportion of total fees and increase 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 2011-12 the cost of scholarships amounted to £428,773 (3.17% of total fees) [£398,779 - 3.11% 2011]. The cost of means tested bursaries and free places at both schools amounted to £376,798 (2.79% of total fees) [£338,917 - 2.65% 2011].

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The principal activities for the year have been the running of two schools with 410 senior pupils and 398 junior pupils and the continued development and enhancement of the organisation.

A number of works were completed at The Oratory School, including repairs to the Sports Centre roof, replacement windows to Faber House and enabling works prior to refurbishment of the theatre.

Investment Performance

The major part of the Association's portfolio is managed by Ruffer LLP and showed a 2.4% improvement over the twelve months to 30th September 2012. 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.

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

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

Donations

A donation received from a parent was put towards the cost of the theatre refurbishment

Results for the Year

2012 was another good year for the Association. Both schools performed substantially better than budget and consolidated funds increased by £848,995 (£859,282 in 2011)

The accounting standard FRS17 in respect of pensions was implemented in 2006, the effects of this are detailed in note 26 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

To renovate the dining facilities at The Oratory School

To enlarge Pre Prep buildings to include a nursery at The Oratory Preparatory School

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

To build a new house for the Headmaster 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

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

REPORT OF THE BOARD OF GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

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. Under company and charity law the governors must not approve the financial statements unless they are satisfied that they 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 accounting 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 are sufficient to show and explain the charitable company and the group's transactions and 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.

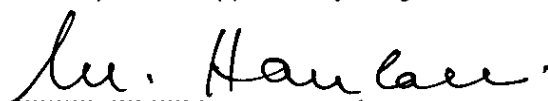
PROVISION OF INFORMATION TO AUDITORS

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 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 24/04/13 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 2012 set out on pages 12 to 36. 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 2012 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.

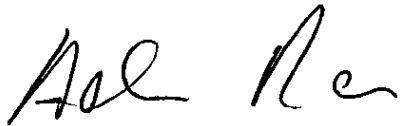
THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

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



Adrian Rann BSc FCA (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 May 2013

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2012

	Note	Unrestricted funds 2012 £	Total funds 2011 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Donations	2	218,920	6,300
Activities for generating funds	3,4	565,563	524,353
Investment income	5	17,804	18,028
Incoming resources from charitable activities			
School fees	6	12,073,479	11,629,008
Other ancillary income	6	129,734	128,955
Other incoming resources		-	81,013
TOTAL INCOMING RESOURCES		13,005,500	12,387,657
RESOURCES EXPENDED			
Costs of generating funds			
Fundraising	4	326,198	281,548
Charitable activities			
Teaching	7	5,642,193	5,309,627
Welfare	7	1,972,085	1,970,000
Premises	7	3,043,414	2,831,100
Support costs	7	1,094,178	1,105,184
Governance costs	7	75,157	107,394
TOTAL RESOURCES EXPENDED	7	12,153,225	11,604,853
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		852,275	782,804
Investment gains	15	33,720	19,478
Actuarial gains and losses on defined benefit pension schemes		(37,000)	57,000
NET MOVEMENT IN FUNDS FOR THE YEAR		848,995	859,282
Total funds at 1 September 2011		12,539,039	11,679,757
TOTAL FUNDS AT 31 AUGUST 2012		13,388,034	12,539,039

All activities relate to continuing operations

All gains and losses recognised in the year are included above. The surplus for the period for Companies Act purposes comprises the net incoming resources for the year plus other realised gains and losses and was £823,193 (2011 - £839,804)

The notes on pages 16 to 36 form part of these financial statements

THE ORATORY SCHOOLS ASSOCIATION

(A company limited by guarantee)

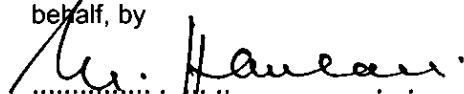
REGISTERED NUMBER 00259021

CONSOLIDATED BALANCE SHEET

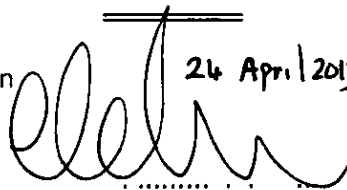
AS AT 31 AUGUST 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible fixed assets	14		19,747,891		19,670,704
Fixed asset investments	15		1,014,795		966,427
			<u>20,762,686</u>		<u>20,637,131</u>
CURRENT ASSETS					
Stocks		125,500		128,340	
Debtors	16	355,252		377,353	
Cash at bank		569,386		75,204	
		<u>1,050,138</u>		<u>580,897</u>	
CREDITORS amounts falling due within one year	17	(2,835,536)		(2,799,413)	
NET CURRENT LIABILITIES			<u>(1,785,398)</u>		<u>(2,218,516)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,977,288</u>		<u>18,418,615</u>
CREDITORS amounts falling due after more than one year	18		(5,515,254)		(5,847,576)
NET ASSETS EXCLUDING PENSION SCHEME DEFICIT			<u>13,462,034</u>		<u>12,571,039</u>
Defined benefit pension scheme deficit	26		(74,000)		(32,000)
NET ASSETS INCLUDING PENSION SCHEME DEFICIT			<u><u>13,388,034</u></u>		<u><u>12,539,039</u></u>
CHARITY FUNDS					
Unrestricted funds	20				
Unrestricted funds excluding pension deficit	20	13,462,034		12,571,039	
Pension reserve	20	(74,000)		(32,000)	
		<u></u>		<u></u>	
Total unrestricted funds			<u>13,388,034</u>		<u>12,539,039</u>
			<u><u>13,388,034</u></u>		<u><u>12,539,039</u></u>

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



M H R Hasslacher

 24 April 2013

C J Sehmer

The notes on pages 16 to 36 form part of these financial statements

THE ORATORY SCHOOLS ASSOCIATION

(A company limited by guarantee)

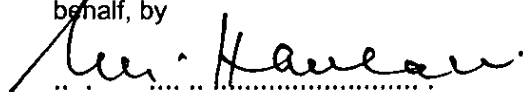
REGISTERED NUMBER 00259021

COMPANY BALANCE SHEET

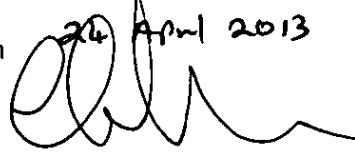
AS AT 31 AUGUST 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible fixed assets	14		19,727,763		19,644,567
Fixed asset investments	15		1,024,796		976,428
			<u>20,752,559</u>		<u>20,620,995</u>
CURRENT ASSETS					
Stocks		23,608		31,287	
Debtors	16	457,751		405,627	
Cash at bank		464,003		33,887	
		<u>945,362</u>		<u>470,801</u>	
CREDITORS amounts falling due within one year	17	(2,749,611)		(2,706,575)	
NET CURRENT LIABILITIES			<u>(1,804,249)</u>		<u>(2,235,774)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,948,310</u>		<u>18,385,221</u>
CREDITORS amounts falling due after more than one year	18		<u>(5,515,254)</u>		<u>(5,847,576)</u>
NET ASSETS EXCLUDING PENSION SCHEME DEFICIT			<u>13,433,056</u>		<u>12,537,645</u>
Defined benefit pension scheme deficit	26		<u>(74,000)</u>		<u>(32,000)</u>
NET ASSETS INCLUDING PENSION SCHEME DEFICIT			<u><u>13,359,056</u></u>		<u><u>12,505,645</u></u>
CHARITY FUNDS					
Unrestricted funds					
Unrestricted funds excluding pension liability		13,433,056		12,537,645	
Pension reserve		<u>(74,000)</u>		<u>(32,000)</u>	
Total unrestricted funds			<u><u>13,359,056</u></u>		<u><u>12,505,645</u></u>
			<u><u>13,359,056</u></u>		<u><u>12,505,645</u></u>

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



M H R Hasslacher

24 April 2013


C J Sehmer

and signed on their

The notes on pages 16 to 36 form part of these financial statements

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	21	2,460,899	1,565,123
Returns on investments and servicing of finance	22	17,804	18,028
Capital expenditure and financial investment	22	(1,293,215)	(1,033,711)
CASH INFLOW BEFORE FINANCING		1,185,488	549,440
Financing	22	(374,510)	(169,763)
INCREASE IN CASH IN THE YEAR		810,978	379,677

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 AUGUST 2012**

	2012 £	2011 £
Increase in cash in the year	810,978	379,677
Cash outflow from decrease in debt and lease financing	374,510	169,763
MOVEMENT IN NET DEBT IN THE YEAR	1,185,488	549,440
Net debt at 1 September 2011	(5,075,904)	(5,625,344)
NET DEBT AT 31 AUGUST 2012	(3,890,416)	(5,075,904)

The notes on pages 16 to 36 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 2012

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 2012

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 £1,000 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	-	10-33% 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 2012

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 Statement of Financial Activities.

2 VOLUNTARY INCOME

	Unrestricted funds 2012 £	Total funds 2011 £
General donations	218,920	6,300

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

3 NON ANCILLARY TRADING INCOME

	Unrestricted funds 2012 £	Total funds 2011 £
Non ancillary trading income	141,682	150,487

Non ancillary trading income

	2012 £	2011 £
External courses, summer schools, sports tuition	104,766	109,813
Rents and recharges	14,456	13,046
School fees protection insurance	22,460	27,628
Total	141,682	150,487

4 TRADING INCOME OF SUBSIDIARY UNDERTAKINGS

	Unrestricted funds 2012 £	Total funds 2011 £
Trading income		
Trading income	423,881	373,866
Trading expenditure		
Trading expenses	326,198	281,548
	326,198	281,548
Net income from trading income of subsidiary undertakings	97,683	92,318

5 INVESTMENT INCOME

	Unrestricted funds 2012 £	Total funds 2011 £
Investment income	17,804	18,028
	17,804	18,028

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

Investment income

	2012 £	2011 £
Treasury stock	1,229	1,224
Unit trusts and investments	16,575	16,804
Total	<u>17,804</u>	<u>18,028</u>

Split by location

	2012 £	2011 £
Investment assets in the UK	11,515	1,224
Investment assets outside the UK	6,289	16,804
Total	<u>17,804</u>	<u>18,028</u>

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

School fees

	2012 £	2011 £
Gross fees	12,890,051	12,370,669
Less scholarships and bursaries	(816,572)	(741,661)
Total	<u>12,073,479</u>	<u>11,629,008</u>

Other ancillary income

	2012 £	2011 £
Consolidated extras	93,442	93,429
Registration fees and forfeited deposits	36,292	35,526
Total	<u>129,734</u>	<u>128,955</u>

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

7 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Fundraising	15,336	6,009	304,853	326,198	281,548
Costs of generating funds	15,336	6,009	304,853	326,198	281,548
Teaching costs	4,736,670	123,313	782,210	5,642,193	5,309,627
Welfare	1,176,636	8,807	786,642	1,972,085	1,970,000
Premises	579,688	1,063,251	1,400,475	3,043,414	2,831,100
Support costs	693,150	-	401,028	1,094,178	1,105,184
Charitable activities	7,186,144	1,195,371	3,370,355	11,751,870	11,215,911
Governance	33,193	-	41,964	75,157	107,394
	7,234,673	1,201,380	3,717,172	12,153,225	11,604,853

8 NET INCOMING RESOURCES

This is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the charity	1,195,371	1,134,093
Depreciation of tangible fixed assets - owned by the subsidiary	6,009	8,692
Interest payable	252,302	247,951

During the year, no governors received any remuneration (2011 - £NIL)

During the year, no governors received any benefits in kind (2011 - £NIL)

8 governors received reimbursement of expenses amounting to £3,489 in the current year, (2011 - 6 governors - £4,069) The Association paid £1,905 (2011 - £2,000) during the year to purchase indemnity insurance for the Governors and the employees of the Association

9 AUDITORS' REMUNERATION

	2012 £	2011 £
Audit fees	15,500	15,500
Other services	10,270	14,495

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

10 STAFF COSTS

Staff costs were as follows

	2012 £	2011 £
Wages and salaries	6,125,426	5,814,339
Social security costs	500,748	472,162
Other pension costs (Note 26)	608,499	578,977
	<u>7,234,673</u>	<u>6,865,478</u>

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

	2012 No	2011 No
Educational Staff	131	131
Domestics and Matron	42	40
Administrative	30	31
Maintenance and Grounds	24	23
Catering	42	44
	<u>269</u>	<u>269</u>

The number of higher paid employees was

	2012 No.	2011 No
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	2	0
In the band £90,001 - £100,000	1	1
In the band £100,001 - £200,000	1	1
	<u>6</u>	<u>4</u>

11 FINANCE COSTS

	2012 £	2011 £
Loan interest payable	252,302	247,951
Bank charges	25,499	25,403
Brokers charges	3,532	3,595
	<u>281,333</u>	<u>276,949</u>

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

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 2011 and 2012.

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 are shown in note 13.

13. PARENT COMPANY RESULTS

The parent company has taken advantage of Section 408 Companies Act 2006 in not preparing its own Statement of Financial Activities. The surplus of the parent company dealt with in the consolidated Statement of Financial Activities is £853,411 (2011: Surplus £843,615).

ORATORY TRADING LIMITED

	2012 £	2011 £
Turnover	423,881	373,866
Cost of sales	(221,494)	(171,302)
Gross profit	202,387	202,564
Administration (including interest paid)	(104,704)	(110,246)
Operating profit	97,683	92,318
Donated under gift aid	(102,099)	(76,652)
Retained profit	(4,416)	15,666
Retained profit brought forward	30,933	15,267
Retained profit carried forward	26,517	30,933

THE ORATORY SCHOOLS ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

14 TANGIBLE FIXED ASSETS

Group	Land and buildings £	Building improvements £	Plant and equipment £	Total £
Cost				
At 1 September 2011	21,349,570	5,214,284	3,957,448	30,521,302
Additions	-	959,889	318,678	1,278,567
Disposals	-	-	(364,043)	(364,043)
At 31 August 2012	21,349,570	6,174,173	3,912,083	31,435,826
Depreciation				
At 1 September 2011	5,227,684	2,491,186	3,131,728	10,850,598
Charge for the year	423,402	491,889	286,089	1,201,380
On disposals	-	-	(364,043)	(364,043)
At 31 August 2012	5,651,086	2,983,075	3,053,774	11,687,935
Net book value				
At 31 August 2012	15,698,484	3,191,098	858,309	19,747,891
At 31 August 2011	16,121,886	2,723,098	825,720	19,670,704

Company	Land and buildings £	Building improvements £	Plant and equipment £	Total £
Cost				
At 1 September 2011	21,349,570	5,214,284	3,893,425	30,457,279
Additions	-	959,889	318,678	1,278,567
Disposals	-	-	(364,043)	(364,043)
At 31 August 2012	21,349,570	6,174,173	3,848,060	31,371,803
Depreciation				
At 1 September 2011	5,227,684	2,491,186	3,093,842	10,812,712
Charge for the year	423,402	491,889	280,080	1,195,371
On disposals	-	-	(364,043)	(364,043)
At 31 August 2012	5,651,086	2,983,075	3,009,879	11,644,040
Net book value				
At 31 August 2012	15,698,484	3,191,098	838,181	19,727,763
At 31 August 2011	16,121,886	2,723,098	799,583	19,644,567

Included in land and buildings is freehold land at cost of £251,080 (2011 - £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 2012**

15 FIXED ASSET INVESTMENTS

Group	Quoted and other investments £
Market value	
At 1 September 2011	966,427
Additions	780,453
Disposal at open market value	(765,805)
Revaluations	33,720
At 31 August 2012	1,014,795
Historical cost	804,459

Group investments at market value comprise

	2012 £	2011 £
Quoted and other investments	<u>1,014,795</u>	<u>966,427</u>

Group material investments

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

	31 August 2012	31 August 2011
1 25% Treasury Index	82,971	94,940
Ruffer Income Fund Inc	146,040	525,814
Gold Bullion Securities 0% undated NTS US\$	-	62,604
CG Portfolio Fund Real Return'A'GBP	50,903	-
CG Portfolio Fund Real Return'D'GBP	106,560	-
	386,474	683,358

The Association owns 100% of the issued share capital of two subsidiaries with a book value of £10,001 (2011 £10,001) and therefore consolidated quoted investments are £1,014,795 (2011 £966,427). Of these quoted investments, £874,421 are invested in investment trusts and £140,374 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 2012**

15 FIXED ASSET INVESTMENTS (continued)

	Quoted and other investments £	Sub total carried forward £
Company		
Market value		
At 1 September 2011	966,427	966,427
Additions	780,453	780,453
Disposals	(765,805)	(765,805)
Revaluations	33,720	33,720
	<u>1,014,795</u>	<u>1,014,795</u>
At 31 August 2012	<u>1,014,795</u>	<u>1,014,795</u>
Historical cost	<u>804,459</u>	<u>804,459</u>

	Sub total brought forward £	Shares in group undertakings £	Total £
Company			
Market value			
At 1 September 2011	966,427	20,000	986,427
Additions	780,453	-	780,453
Disposals	(765,805)	-	(765,805)
Revaluations	33,720	-	33,720
	<u>1,014,795</u>	<u>20,000</u>	<u>1,034,795</u>
At 31 August 2012	<u>1,014,795</u>	<u>20,000</u>	<u>1,034,795</u>
Impairment			
At 1 September 2011 and 31 August 2012	-	9,999	9,999
Net book value			
At 31 August 2012	<u>1,014,795</u>	<u>10,001</u>	<u>1,024,796</u>
At 31 August 2011	<u>966,427</u>	<u>10,001</u>	<u>976,428</u>
Historical cost	<u>804,459</u>	<u>-</u>	<u>804,459</u>

Company investments at market value comprise		
	2012 £	2011 £
Quoted and other investments	1,014,795	966,427
Group	10,001	10,001
	<u>1,024,796</u>	<u>976,428</u>
Total	<u>1,024,796</u>	<u>976,428</u>

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

Analysis of the market value of listed investments

	2012 £	2011 £
UK fixed interest	140,734	93,940
Investment trusts	796,169	749,710
UK shares	77,892	122,777
	<u>1,014,795</u>	<u>966,427</u>

The assets and liabilities of the subsidiaries were

ORATORY TRADING LIMITED

	2012 £	2011 £
Tangible fixed assets	20,127	26,136
Net current assets	16,390	14,797
	<u>36,517</u>	<u>40,933</u>
Representing		
Share capital	10,000	10,000
Profit and loss account	26,517	30,933
	<u>36,517</u>	<u>40,933</u>

ACADEMY CATERING LIMITED

	2012 £	2011 £
Net current assets	12,460	12,460
	<u>12,460</u>	<u>12,460</u>
Representing		
Share capital	10,000	10,000
Profit and loss account	2,460	2,460
	<u>12,460</u>	<u>12,460</u>

THE ORATORY SCHOOLS ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

16 DEBTORS

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	251,282	249,932	223,841	189,666
Amounts owed by group undertakings	-	-	129,940	88,540
Prepayments and accrued income	103,970	127,421	103,970	127,421
	<u>355,252</u>	<u>377,353</u>	<u>457,751</u>	<u>405,627</u>

Trade debtors

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Fees	219,208	187,902	219,208	187,902
Trade debtors	27,441	60,266	-	-
Other debtors	4,633	1,764	4,633	1,764
	<u>251,282</u>	<u>249,932</u>	<u>223,841</u>	<u>189,666</u>

17 CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	383,779	627,334	383,779	627,334
Trade creditors	934,948	541,559	884,306	527,243
Social security and other taxes	35,283	52,131	-	-
Advance fee scheme and fees invoiced in advance	1,481,526	1,578,389	1,481,526	1,551,998
	<u>2,835,536</u>	<u>2,799,413</u>	<u>2,749,611</u>	<u>2,706,575</u>

THE ORATORY SCHOOLS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

18 CREDITORS

Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	4,076,023	4,523,774	4,076,023	4,523,774
Fee deposits	1,283,900	1,100,175	1,283,900	1,100,175
Advance fees	58,581	124,052	58,581	124,052
Deferred income	96,750	99,575	96,750	99,575
	5,515,254	5,847,576	5,515,254	5,847,576

Included within the above are amounts falling due as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Between one and two years				
Bank loans	383,779	310,538	383,779	310,538
Between two and five years				
Bank loans	1,106,762	931,616	1,106,762	931,616
Over five years				
Bank loans	2,585,482	3,281,620	2,585,482	3,281,620

Creditors include amounts not wholly repayable within 5 years as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Repayable by instalments	2,585,482	3,281,620	2,585,482	3,281,620

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.

THE ORATORY SCHOOLS ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

SECURED DEBTS

	2012 £	2011 £
Bank overdraft	-	316,796
Bank loans	4,459,802	4,834,312
	<u>4,459,802</u>	<u>5,151,108</u>
Total	<u>4,459,802</u>	<u>5,151,108</u>

19 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:

	2012 £	2011 £
After 5 years	34,977	21,240
Within 2 to 5 years	23,604	49,288
Within 1 to 2 years	-	53,524
	<u>58,581</u>	<u>124,052</u>
Within 1 year	45,955	60,271
	<u>104,536</u>	<u>184,323</u>
Total	<u>104,536</u>	<u>184,323</u>

Movements during the year

	2012 £	2011 £
Balance at 1 September 2011	184,323	293,145
New contracts	-	43,730
	<u>184,323</u>	<u>336,875</u>
Amounts utilised in payment of fees	(79,787)	(152,552)
	<u>104,536</u>	<u>184,323</u>
Balance at 31 August 2012	<u>104,536</u>	<u>184,323</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

20 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General Funds - all funds	12,571,039	13,005,500	(12,148,225)	33,720	13,462,034
Pension reserve	(32,000)	-	(5,000)	(37,000)	(74,000)
	<u>12,539,039</u>	<u>13,005,500</u>	<u>(12,153,225)</u>	<u>(3,280)</u>	<u>13,388,034</u>

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

21 NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Net incoming resources before revaluations	852,275	782,804
Returns on investments and servicing of finance	(17,804)	(18,028)
Depreciation of tangible fixed assets	1,201,380	1,142,785
Decrease in stocks	2,840	6,199
Decrease/(increase) in debtors	22,101	(229,577)
Increase/(decrease) in creditors	400,107	(119,060)
Net cash inflow from operations	<u>2,460,899</u>	<u>1,565,123</u>

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Income from investments	<u>17,804</u>	<u>18,028</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,278,567)	(1,171,238)
Sale of tangible fixed assets	-	195,000
Purchase of investments	(780,453)	(284,923)
Sale of investments	765,805	227,450
Net cash outflow capital expenditure	<u>(1,293,215)</u>	<u>(1,033,711)</u>

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

	2012 £	2011 £
Financing		
Repayment of loans	<u>(374,510)</u>	<u>(169,763)</u>

23 ANALYSIS OF CHANGES IN NET DEBT

	1 September 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand	75,204	494,182	-	569,386
Bank overdraft	(316,796)	316,796	-	-
	<u>(241,592)</u>	<u>810,978</u>	<u>-</u>	<u>569,386</u>
Debt				
Debts due within one year	(310,538)	(73,241)	-	(383,779)
Debts falling due after more than one year	(4,523,774)	447,751	-	(4,076,023)
	<u>(5,075,904)</u>	<u>1,185,488</u>	<u>-</u>	<u>(3,890,416)</u>

24 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 2012 an amount of £25,575 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 2012 an amount of £74,000 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

25 CAPITAL COMMITMENTS

At 31 August 2012 the group and company had capital commitments as follows

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Contracted for but not provided in these financial statements	-	30,000	-	-

26 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. A full actuarial valuation is being carried out as at 30 November 2011 and the preliminary results have been updated to 31 August 2012 by a qualified actuary.

The company is no longer required to pay regular contributions to the scheme having completed the recovery plan in 2010. However, the company is required to pay for management and administration expenses when they are due. During the year contributions of £10,302 were paid to meet scheme charges.

The amounts recognised in the balance sheet are as follows

	2012 £	2011 £
Present value of funded obligations	(970,000)	(898,000)
Fair value of scheme assets	896,000	866,000
Net liability	<u>(74,000)</u>	<u>(32,000)</u>

Pension scheme assets are all invested in with-profit policies. Expected long term rate of return was 5.00% (2011 5.00%).

The amounts recognised in the Statement of Financial Activities are as follows

	2012 £	2011 £
Interest on pension scheme liabilities	46,000	48,000
Expected return on pension scheme assets	(41,000)	(45,000)
Total	<u>5,000</u>	<u>3,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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26 PENSION SCHEMES (continued)

Movements in the present value of the defined benefit obligation were as follows

	2012 £	2011 £
Opening defined benefit obligation	898,000	1,085,000
Actuarial losses / (gains)	132,000	(49,000)
Interest cost	46,000	48,000
Benefits paid and death in service insurance premiums	(106,000)	(186,000)
	<u>970,000</u>	<u>898,000</u>

Changes in the fair value of scheme assets were as follows

	2012 £	2011 £
Opening fair value of scheme assets	866,000	989,000
Actuarial gains	95,000	8,000
Expected return on scheme assets	41,000	45,000
Contributions by employer	-	10,000
Benefits paid and death in service insurance premiums	(106,000)	(186,000)
	<u>896,000</u>	<u>866,000</u>

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

	2012	2011
Discount rate at 31 August	3 90 %	5 40 %
Pension in payment increases in line with inflation up to 5% per annum	2 60 %	3 30 %
Revaluation rate for deferred pensioners	1 90 %	3 40 %
Inflation (RPI)	2 70 %	3 40 %
Inflation (CPI)	1 90 %	- %

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

The mortality assumption adopted at 31 August 2012 imply the following life expectancies

Male retiring at age 65 in 2012	22 6
Female retiring at age 65 in 2012	25 1
Male retiring at age 65 in 2032	24 5
Female retiring at age 65 in 2032	26 9

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2012 £	2011 £	2010 £	2009 £	2008 £
Present value of scheme liabilities	(970,000)	(898,000)	(1,085,000)	(986,000)	(903,000)
Fair value of scheme assets	896,000	866,000	989,000	893,000	841,000
(Deficit)/surplus in scheme	(74,000)	(32,000)	(96,000)	(93,000)	(62,000)
Experience adjustments on scheme liabilities	24,000	(18,000)	19,000	19,000	(13,000)
Experience adjustments on scheme assets	95,000	8,000	(4,000)	(23,000)	(2,000)

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

Teachers Superannuation Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), 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 TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme - Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8%. For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards.

The Government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%. The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

The pension charge for the year includes contributions payable to the TPS of £495,642.

27 OPERATING LEASE COMMITMENTS

At 31 August 2012 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2012	Other
	2012	2011		2011
Group	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	27,162	51,664

28 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.