

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

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

THE ORATORY SCHOOLS ASSOCIATION

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THE ORATORY SCHOOLS ASSOCIATION

GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2019

Board of Governors

(* Member of the Finance & General Purpose Committee as at 31 August 2019)

M J Berkeley (resigned 5 May 2020)
B F H Bettesworth* (resigned 5 May 2020)
Mrs K M Carberry-Long (appointed 1 June 2019)
Mrs M Cochrane (resigned 1 April 2019)
Mrs M E Edwards*
Professor P W Evans*
F J Fitzherbert-Brockholes
M H R Hasslacher*
Dr C B T Hill Williams* (resigned 5 May 2020)
J R B Hobbs*
Mrs M P Lo (appointed 1 April 2019)
C J Sehmer*
Fr D Seward
Mrs M C Shinkwin (appointed 1 April 2019)
M W Stilwell*, Chair
Colonel C Sutherland (resigned 5 May 2020)
N J Tanner* (resigned 16 June 2020)
J P Wheeler (appointed 1 April 2019)

THE ORATORY SCHOOLS ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2019

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, RG8 0PJ

The Oratory Preparatory School, Goring Heath, Reading, Berkshire, RG8 7SF

Clerk to the Governors and Bursar

M W Halsall

Headmasters

The Oratory - J J Smith

The Oratory Preparatory School - R M Stewart

Independent Auditor

James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Bankers

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

Solicitors

Blandy & Blandy, 1 Friar St, Reading, RG1 1DA

Investment Advisers

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

Insurance Broker

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

THE ORATORY SCHOOLS ASSOCIATION

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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, 30 April 1997 and 26 January 2011.

Governing Body

The governors are charity trustees, directors and members of the company. New governors are appointed by the Board of Governors. 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 J Berkeley (resigned 5 May 2020)
B F H Bettesworth (resigned 5 May 2020)
Mrs K M Carberry-Long (appointed 1 June 2019)
Mrs M Cochrane (resigned 1 April 2019)
Mrs M E Edwards
Professor P W Evans
F J Fitzherbert-Brockholes
M H R Hasslacher
Dr C B T Hill Williams (resigned 5 May 2020)
J R B Hobbs
Mrs M P Lo (appointed 1 April 2019)
C J Sehmer
Fr D Seward
Mrs M C Shinkwin (appointed 1 April 2019)
M W Stilwell (Chair)
Col C Sutherland (resigned 5 May 2020)
N J Tanner (resigned 16 June 2020)
J P Wheeler (appointed 1 April 2019)

Recruitment and Training of Governors

New governors are elected by the existing governors, acting by majority. The governors regularly seek 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. All Governors have undergone Safeguarding and Prevent training and particular emphasis is placed upon this element of governors' training.

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GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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 meets at least six times a year. There are sub committees which meet as required (for example: academic, Newman [pastoral])

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

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 runs retail outlets on the sites for uniform and tuck. 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
- the maintenance of a regularly reviewed Association risk register
- 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.

The Governing Body maintains a Risk Register, which is reviewed regularly at Committee meetings. The Register, which is maintained by the Bursar, covers such areas as:

- Governance risk
- Political risk
- Operations risk
- Financial risk
- External risk
- Compliance with the Law risk

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GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

The main risks to the success of the Association are considered to be:

- The non-achievement of forecast pupil numbers and revenue
- The continuing impact of COVID19
- Increasing costs including the impact of significant increases in teachers' pension contributions and a change in business rates
- The loss of charitable status

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 schools under its governance.

The objects are presently met by the Association being responsible for The Oratory School and, until its disposal in November 2019, The Oratory Preparatory School.

The Oratory School was founded by Fr – now St - 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.

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 and girls aged 2 to 18 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

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GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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.

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 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 schools, clubs and groups.

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.

In 2018/19 there were 69 pupils (57 in 2017/18) 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 provided space and support for a number of organisations, including:

- a. Subsidised use of facilities for a residential retreat by the Confraternity of Catholic Clergy.
- b. Subsidised use of facilities for a residential Evangelium conference.
- c. Subsidised use of the facilities by the Newman Trust for disabled children's summer camps
- d. The swimming pools at both schools are used by a significant number of outside schools, both private and state, as well as clubs and groups.
- e. The Prep School pitches are used by a local youth football club.
- f. Oratory School minibuses are made available to the local state academy and primary schools to allow them to use the School's facilities and for their use further afield.
- g. The Schools' facilities have also been used by local amateur choirs.

The Association offers a variety of scholarships at both The Oratory School and The Oratory Preparatory School recognising academic, sporting and musical ability as well as all round achievement. Scholarships are awarded by the Headmasters following examination and review.

The Association intends over time 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 2018-19 the cost of scholarships amounted to £505,000 or 4.4% of total fees (£496,000 or 4.0% in 2018). The cost of means tested bursaries and free places at both schools amounted to £702,497 or 6% of total fees (£650,500 or 5.7% in 2018).

The Governors believe that the public benefit is also served through savings accrued from private education by the Department for Education. For every UK pupil educated by the Oratory Schools Association, the Department for Education saves at least £6,000, which can then be used directly for the benefit of pupils within the State sector.

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

In its 160th year the majority of Oratory pupils again gained entry to their first choice universities following the release of A Level results. There were a number of strong performances including: Matthew Petty who achieved an A* and 2 As (Electrical Engineering at Southampton); School Captain Ed Bromilow with 2 A*s and a B (Industrial Design at Loughborough); Sam Machin with 3 As and a B (Economics at Manchester); Sebastian Smith with A*, A, B (Computer Science at York).

As has become customary the A Level results for both Art & Design and Photography were once again

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GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

excellent, with 75% A*-A in each subject, continuing to confirm The Oratory School as a forerunner in these areas. In other disciplines there were excellent departmental performances in: Music, Chinese and Latin where there were 100% A*-B grades; Maths where there were 88% A*-C grades.

At GCSE 23% of grades fell in the 9-8 category, 37% at 9-7, and 78% at grade 4 or higher, all significantly higher than the national average. The highest achievers included: Franky Tyler who recorded an impressive seven grade 9s alongside one A* and three 8s; Joonmin Choe with four 9s, one A*, five 8s, and one 6; Joseph Staples with three 9s, two A*s, two 8s, two 7s, and three 6s; Toby Winterbottom with two 9s, one A*, three 8s, three 7s, and two 6s; Daniel Klucinec with two 9s, one A*, two 8s, three 7s and two 6s; Alex Vile with one 9, one A*, three 8s, four 7s, and two 6s. There were some excellent departmental performances, again in Art and Design where 36% of grades achieved were grade 9, History in which 31% of grades were A*, Music where 100% of grades were 9-7, and English Language in which 50% of pupils achieved 9-7.

The Music Department has had another busy year. The quality of this year's A Level compositions was astonishingly high, other highlights being the Consort trips to sing with the Chapel Choirs of Magdalen and Keble Colleges in Oxford, another superb Jazz Evening and a wonderful performance of Mozart Vespers for St Cecilia. As an example of the quality of the school's music it should also be mentioned that one of our Upper 6th Formers this year won a Choral Scholarship to Keble College, Oxford, and while he didn't subsequently win a place at the University, this is still quite some achievement for him and for the department.

The Co-curricular programme at The Oratory provides for the development of the whole person, through the languages of Head, Heart and Hands (Mens, Cor, Manusque). A wide variety of activities was offered to pupils with a carousel of personal development including first aid, maths logic, public speaking and first aid, for the Third Form and a programme of general interest talks for the 6th Form within the Loquitur programme. Pupils were able to choose from a wide range of physical activities and minor sports, creative activities such as Animation club, and more cerebral options, with the re-launch of the Adelphi Society foremost among the latter. The Thursday programme continued to provide pupils with the opportunity to participate in CCF, Conservation and Community Service, the latter of which was expanded to include visits to residential care homes in addition to visiting local primary schools. More L6th pupils than before took the opportunity to continue to participate in the Community Service programme.

The Duke of Edinburgh's Award ran three sets of expeditions 2018-2019, two bronze groups and a practice expedition for the Gold Award. Participation levels remain strong with over half of the 4th and 5th Form engaged and with a strong group of 6 L6 boys working well in preparing their practice expedition to the Brecon Beacons.

A Co-curricular committee comprised of key staff from Music, Drama, CCF, the Thursday service programme, Sport and the Coeducation Coordinator has been established and met regularly to review practice for 2019-20 and to discuss amendments and additions to the Co-curricular programme in preparation for the move to coeducation in September 2020.

In the sporting life of the school, the Rugby Club had a successful season. The 1st XV entered the NatWest Cup for the first time, reaching the national Quarter final having won our regional South-West section and in the process briefly reaching the top of the 1st XV school sports performance tables. The club had successful and enjoyable tours to South Africa in August and Dublin in November. Individual highlights included Morgan MacRae representing the Scarlets and being selected for the Wales Under 18 training squad, Ollie Monye representing Wasps in the Premiership Academy League and Dalton Byrnes representing Irish Qualified Rugby.

In a tough season for the school's football, again the junior years showed real talent and promise for the future.

Rowing highlights included Ed Tritton beating the majority of Radley's 1st VIII in the Henley Single Sculls Head Race in November, seeing a very promising group of new 3rd formers come through the ranks and the Boat Club's racing in the Quad Sculls at Henley Royal Regatta, a new event for us with a young crew. We were inspired by Lukas Haitzmann returning to the Boat Club dinner to tell us of his experiences in becoming the world record holder for the youngest solo crossing of the Atlantic only one year after leaving The Oratory.

In cricket, ours was voted one of the Top 100 schoolboy cricket pitches for the third consecutive year. As well as some exceptional talent coming through from the junior years, Upper 6th Former Jack Winterbottom was signed by the Middlesex Academy and Michael Williams played at a very high level for Henley CC 1st XI in the Home Counties Premier League. The appointment of former Middlesex off-spinner Chris Peploe as our Cricket

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GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

Professional is beginning to pay dividends in terms of participation, enjoyment and performance.

In swimming Chris Motha became the Oxfordshire 200m Open Swimming Champion and our 1st golf pair beat the Eton 1st pair. Harry O'Sullivan and Archie Mayer finished 3rd in the U18 Real Tennis Doubles at the Queens Club, beating Radley and Wellington on the way, and in lawn tennis our U13s and U15s were winners of the area tournament with Shiplake, Pangbourne and Leighton Park.

Our drama continues to go from strength to strength, with an excellent production of A Midsummer Night's Dream with girls from Langtree School. St Philip House put on an superb production of Divergent, a challenging and exciting play. Once again we had a clean sweep of Distinctions in LAMDA exams.

In May the school underwent a successful inspection by the Archdiocese of Birmingham, who inspected our provision in RS teaching, Catholic Life and Collective Worship. Pope Francis canonised John Henry Newman on 13 October 2019. Saint John Henry Newman is the first English person who has lived since the 17th century officially recognised as a saint by the Roman Catholic Church.

Educational Achievement at The Oratory Preparatory School (Ages 2 to 13)

Out of eleven pupils who chose to follow the academic scholarship route at the end of year 7, six pupils received an academic award in the Lent term. Two out of three boys were awarded an Academic Scholarship to Abingdon (Young and Summers Academic Scholarship and Lady Wantage Academic Scholarship); out of the three girls who sat the academic scholarship exams to Pangbourne one was awarded an Academic Scholarship and the other two were awarded an Academic Exhibition.

In addition, one Common Entrance candidate has been awarded an all round Scholarship to the OS. Most of our year 7 pupils have gone through the registration process to various Senior Schools (OS, Bradfield).

The Maths department remains the strongest of our academic Departments. Tracking suggests that the great majority of our pupils are making very good progress. 67,000 pupils entered The Primary Maths challenge in the country in November. Five of our pupils in year 6 were among the 2,375 pupils who scored 19 or above and were invited to take part in the Bonus Round in February 2019. Two of these achieved a silver award with 17 out of 25 (top 1% of the original 67,000 in the country) and two achieved a Bronze award with 15 and 16 out of 25 (top 2% of the original 67,000 in the country).

Music continues to be a particular strength, with two thirds of pupils in the Prep part of the School receiving individual musical tuition and large numbers participating in the various choirs and instrumental ensembles. We have a full calendar of events and performances throughout the year including carol services, concerts, a Requiem Mass, orchestra days, piano workshops, percussion workshops and our big Summer concert in the marquee. Our Year 5 children sang at the O2 arena in the very popular Young Voices. We have further strengthened our ties with the OS Music department - our Jazz Band played a wonderful set at the Hopkins Dinner and our Choristers joined with the Schola to sing Mozart Vespers at St Cecilia Mass and took part in their 'Songs for the shows' event.

The School continues to produce quality drama throughout the age range. In the course of curriculum drama, they engage with scripts and sometimes whole one-act plays for performance in assembly. One such piece has been recorded as a radio production. Year 3 and year 4 performed "Goldilocks and the Three bears" in December and pupils in years 5, 6 and 8 are putting on a production of "Mary Poppins" for the summer. An increasing number of pupils have started to attend Lamda sessions, either in group or individual lessons. All the children who were entered for examinations last term passed with excellent results.

The Saturday Enrichment Programme started in September 2017 following the end of compulsory Saturday school. Approximately 60% of children now attend the optional modules. There are various choices for everyone including sports, drama, music, art and academic modules.

In Sport all the boys and girls have represented the school in the six major sports (Rugby, Hockey, Football, Netball, Cricket and Rounders). For the 2019 summer term we have started a new sport for girls in Cricket which has gone down well with most schools following suit. We have also held many minor sport events at the school from Tennis, Cross Country (750 runners), Triathlon and Athletics Events in which all the pupils have participated.

THE ORATORY SCHOOLS ASSOCIATION

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

In the major sports we have excelled in the 2018/19 academic year with our U13A and U10A rugby sides going on to win the Epsom National Rugby Competition in March and the U13s then went on to win the Northern 7s and Caldicott 7s which are known as the strongest tournaments around. The group also went unbeaten at Rosslyn Park, winning every fixture and conceding just two tries on the day.

In football the 1st XI went on tour to Yorkshire for the first time, visiting Old Trafford on route for an educational tour and finished their season being knocked out of the ISFA National competition by eventual finalist Lambrook Haileybury in the Quarter Finals. Our U9s went on to win the St John's Beaumont tournament in February and our Colts A won the 6-a-side and 9-a-side County Cups in the Lent term.

Our fields have seen change over the Easter Holidays where we have grown from 7 cricket pitches to 12 after the fabulous efforts from our grounds team to ensure we had enough areas to host boys and girls cricket. Our girls have again grown in strength in sport and have entered the IAPS Hockey and Netball tournaments at U10, U11, U12 and U13 to varying success.

Our scholarships for senior school in 2019 are very high with 9 boys obtaining sports scholarships thus far and 1 girl. We have also looked to lend the use of our grounds to local football charities and the Vale of White Horse state school district football tournaments to keep positive links with the local community.

OPS Swimming has seen a huge rise in the last two years. This has enabled the squad to strengthen in numbers and increase in ability. Evidence of this is seen in our IAPS performance. We have two individuals and one relay team in the IAPS final taking place at the London Aquatic Centre on Saturday 8th June.

We have continued to run trips to various locations such as the Birmingham Oratory, The Roald Dahl Museum, The Henley Rowing museum and Dorchester Abbey. As always the school has offered Beardog to Year 4, where pupils learn survival skills in the woods and Bushcraft to Year 5, where pupils go to Cornbury Park in Oxfordshire to spend two nights camping out. The Year 6 French trip took place this spring after a wonderful Year 7 trip to Rome in the Easter holidays. The Year 8s will be completing their time at the OPS with a trip to South Africa, where they will offer financial and practical support to the local community in Cape Town, through the Path out of Poverty Charity.

Investment Performance

The Association's portfolio was managed by Ruffer LLP. These investments were realised in full during the period and the account closed.

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.
- To provide resources for future improvements to boarding and other facilities.

The Association is working towards meeting its target level of free reserves and the actions taken post year end are a significant step forward in meeting this target.

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GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

Funding

The provision of a £2m operating capital loan from Bellevue Education plus an additional £1.5m loan facility from MSP Capital has provided the required financial support for the foreseeable future. The sale of the Chiltern Court development site in December 2020 will facilitate the repayment of a substantial portion of the borrowing in a relatively short time scale.

Capital expenditure remains restricted and no major infrastructure projects are planned within the next 3 years.

Results for the Year and Future Financing

The consolidated net expenditure before investment and actuarial gains and losses was £2,872,280 (£1,934,155 in 2018). This change reflected the continuing impact of the imbalance of leavers to joiners at The Oratory School which was not reversed until September 2019 when an increase in pupil numbers was achieved. The increased net expenditure also reflected an on-going commitment to a substantial number of improvements to meet or exceed changes in health & safety and other statutory requirements.

During the year ended 31 August 2019, the governors identified the need for a major strategic review and, together with the bank, initiated an independent business review to devise short and longer term Association strategies. As a result of this The Oratory Preparatory School was sold on 29 November 2019 to Bellevue Education for £8m. Surplus residential properties have also been sold since the year end for a total consideration of £1,754,992. These funds helped the Association to repay its overdrafts and the loans and mortgages which were in place at the year end.

To ensure that there is adequate cover for The Oratory School's future working capital requirements, a £2m loan repayable over 3 years was provided by Bellevue Education in November 2019. As a result of the uncertainty caused by COVID19 a further short term £1m loan was taken out with MSP Capital in July 2020. Additional funds, some of which are to be used to partially repay these loans, are expected from the sale of a development site in December 2020 and a deposit of £300,000 was received in June 2020 upon exchange of contracts.

Pupil numbers at The Oratory School are forecast to increase again in September 2020 and have been further boosted by the school going co-educational. Some cost savings have been achieved in 2019/20 and a further review of the school's expenditure was undertaken in 2020 from which significant additional savings are expected.

COVID19

At the beginning of 2020, the COVID19 outbreak began to have a global impact. By March 2020, the United Kingdom was in lockdown and the impact on the Association has been significant:

- The Oratory School temporarily closed the school site because of COVID19 on 21 March 2020. A comprehensive online provision was made available to all pupils which covered both academic and co-curricular subjects.
- The majority of support staff were furloughed in line with the Government's response measures
- The online provision continued throughout the Trinity term
- GCSE and A Level exams were cancelled and the school prepared submissions to the exam boards to enable grades to be calculated
- Trinity term fees were reduced to a single fee for all pupils, based on a 10% reduction to the standard day fees for both the Junior and the Senior School.
- Costs were reduced across many aspects of school life; for example: boilers were shut down and catering operations suspended.
- Michaelmas term fees 2020 have been set at the same level as for academic year 2019/20
- Provision has been made to allow overseas pupils to quarantine at the school for 2 weeks before the start of Michaelmas term 2020
- Financial plans were revised in order to take account of the impact of reduced revenue and will continue to be reviewed, particularly the potential impact in September of reduced overseas pupil numbers
- The school has signed up to the Boarding Schools' Association Covid-safe charter and is preparing comprehensive risk assessments prior to the planned re-opening of the school in September 2020.

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GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

Since the year end, the sale of the Oratory Preparatory School and the surplus residential properties has generated sufficient funds to clear overdrafts and reduce the loan balances. Income is increasing with the rise in pupil numbers for the year ending 31 August 2020 and a further rise in pupil numbers is forecast for the year ending 31 August 2021, helped by the school going co-educational from September 2020. The Governors are of the view that the Association has sufficient funds to enable the Association to continue its activities on a going concern basis for a period of at least 12 months from the date of approval of these financial statements. The financial statements have been prepared on a going concern basis.

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 restructure the Association to optimise the long-term security of The Oratory
- To increase The Oratory School to a steady state co-education roll of at least 400 pupils;
- To improve the current high standards of academic achievement as measured by external public examinations and independent value added criteria;
- To provide a new Sixth Form co-ed boarding house with a dedicated Sixth Form Centre at The Oratory School;
- To provide an enlarged and modernised Music Department facility at the Oratory School;
- To further explore overseas cooperation opportunities;
- To continue to build links with local secondary schools;
- To continue to increase and encourage community access to the schools' facilities;
- To increase trading revenue during school holidays.

Fixed Assets

The Woodcote Estate is vested in Trust for the benefit of and for 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 on a reinstatement basis is approximately £47,498,000 higher than book value. No calculation of the deferred tax arising on this excess has been made because The Oratory School Trust has limited intentions to sell (some residential property) 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;

THE ORATORY SCHOOLS ASSOCIATION

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

- 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 AUDITOR

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 auditor is 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 auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

AUDITOR

The auditor, James Cowper Kreston, will be proposed for re appointment in accordance with Section 485 of the Companies Act 2006.

This report, incorporating the Group strategic report, was approved by the governors, in their capacity as company directors, on 26/8/20 and signed on their behalf by the Chair of Governors.

This report was approved by the governors, on 26/8/20 and signed on their behalf by:



...
M W Stilwell
Chairman

THE ORATORY SCHOOLS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ORATORY SCHOOLS ASSOCIATION

OPINION

We have audited the financial statements of The Oratory Schools Association (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2019 set out on pages 16 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2019 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.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

THE ORATORY SCHOOLS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ORATORY SCHOOLS ASSOCIATION

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- the parent charitable company has not kept adequate and sufficient 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF GOVERNORS

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, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

THE ORATORY SCHOOLS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ORATORY SCHOOLS ASSOCIATION

USE OF OUR REPORT

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

A handwritten signature in black ink that reads "MN Farwell". The letters are cursive and somewhat stylized.

Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 28/08/2020

THE ORATORY SCHOOLS ASSOCIATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:				
Donations and grants	3	51,629	51,629	164,375
Charitable activities	7	10,425,495	10,425,495	11,351,036
Other trading activities	4,5	724,454	724,454	644,257
Investments	6	4,187	4,187	12,005
TOTAL INCOME		11,205,765	11,205,765	12,171,673
EXPENDITURE ON:				
Raising funds	5	430,841	430,841	416,671
Charitable activities		13,647,204	13,647,204	13,689,157
TOTAL EXPENDITURE	9	14,078,045	14,078,045	14,105,828
NET EXPENDITURE BEFORE INVESTMENT GAINS		(2,872,280)	(2,872,280)	(1,934,155)
Net gains on investments	18	5,298	5,298	12,031
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(2,866,982)	(2,866,982)	(1,922,124)
Actuarial gains/(losses) on defined benefit pension schemes	25	(71,000)	(71,000)	74,000
NET MOVEMENT IN FUNDS		(2,937,982)	(2,937,982)	(1,848,124)
RECONCILIATION OF FUNDS:				
Total funds brought forward		11,782,367	11,782,367	13,630,491
TOTAL FUNDS CARRIED FORWARD		8,844,385	8,844,385	11,782,367


The notes on pages 20 to 42 form part of these financial statements.

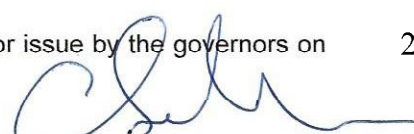
THE ORATORY SCHOOLS ASSOCIATION
REGISTERED NUMBER: 00259021

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	17		21,207,319		22,094,842
Investments	18		-		630,616
			<u>21,207,319</u>		<u>22,725,458</u>
CURRENT ASSETS					
Stocks		122,008		141,301	
Debtors	19	447,900		565,918	
Cash at bank and in hand		179,395		126,747	
		<u>749,303</u>		<u>833,966</u>	
CREDITORS: amounts falling due within one year	20	(8,089,653)		(6,941,878)	
NET CURRENT LIABILITIES			<u>(7,340,350)</u>		<u>(6,107,912)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,866,969</u>		<u>16,617,546</u>
CREDITORS: amounts falling due after more than one year	21		<u>(4,892,584)</u>		<u>(4,790,179)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>8,974,385</u>		<u>11,827,367</u>
Defined benefit pension scheme liability	25		<u>(130,000)</u>		<u>(45,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>8,844,385</u>		<u>11,782,367</u>
CHARITY FUNDS	22				
Unrestricted funds:					
Unrestricted funds excluding pension liability		8,974,385		11,827,367	
Pension reserve		<u>(130,000)</u>		<u>(45,000)</u>	
Total unrestricted funds			<u>8,844,385</u>		<u>11,782,367</u>
TOTAL FUNDS			<u>8,844,385</u>		<u>11,782,367</u>

The financial statements were approved and authorised for issue by the governors on 26/8/20 and signed on their behalf, by:


.....
M W Stilwell


.....
C J Sehmer

The notes on pages 20 to 42 form part of these financial statements.

THE ORATORY SCHOOLS ASSOCIATION
REGISTERED NUMBER: 00259021

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	17		21,198,117		22,082,330
Investments	18		10,001		640,617
			<u>21,208,118</u>		<u>22,722,947</u>
CURRENT ASSETS					
Stocks		65,371		64,722	
Debtors	19	510,802		596,424	
Cash at bank and in hand		53,693		33,829	
		<u>629,866</u>		<u>694,975</u>	
CREDITORS: amounts falling due within one year	20	(7,977,960)		(6,810,794)	
NET CURRENT LIABILITIES			<u>(7,348,094)</u>		<u>(6,115,819)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,860,024</u>		<u>16,607,128</u>
CREDITORS: amounts falling due after more than one year	21	(4,892,584)		(4,790,179)	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>8,967,440</u>		<u>11,816,949</u>
Defined benefit pension scheme liability	25	(130,000)		(45,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>8,837,440</u>		<u>11,771,949</u>
CHARITY FUNDS	22				
Unrestricted funds:					
Unrestricted funds excluding pension liability		8,967,440		11,816,949	
Pension reserve		(130,000)		(45,000)	
Total unrestricted funds			<u>8,837,440</u>		<u>11,771,949</u>
TOTAL FUNDS			<u>8,837,440</u>		<u>11,771,949</u>

The financial statements were approved and authorised for issue by the governors on 26/8/20 and signed on their behalf, by:


M W Stilwell


C J Sehmer

The notes on pages 20 to 42 form part of these financial statements.

THE ORATORY SCHOOLS ASSOCIATION

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	23	<u>(532,416)</u>	<u>(1,456,578)</u>
Cash flows from investing activities:			
Income from investments		4,187	12,005
Purchase of tangible fixed assets	17	(143,874)	(596,240)
Proceeds from sale of investments	18	804,220	838,849
Purchase of investments	18	<u>(168,306)</u>	<u>(406,604)</u>
Net cash provided by/(used in) investing activities		<u>496,227</u>	<u>(151,990)</u>
Cash flows from financing activities:			
Repayments of borrowings		(526,843)	(500,498)
Cash inflows from new borrowing		-	465,204
Net cash used in financing activities		<u>(526,843)</u>	<u>(35,294)</u>
Change in cash and cash equivalents in the year		<u>(563,032)</u>	<u>(1,643,862)</u>
Cash and cash equivalents brought forward		<u>(3,510,820)</u>	<u>(1,866,958)</u>
Cash and cash equivalents carried forward		<u><u>(4,073,852)</u></u>	<u><u>(3,510,820)</u></u>

The notes on pages 20 to 42 form part of these financial statements.

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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 the charity 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. Accordingly, and as permitted by the Charities SORP (FRS 102), such assets are not recognised on the balance sheet.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Oratory Schools Association meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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.

1.3 Going concern

The consolidated financial statements show net expenditure for the year of £2,937,982 (2018: £1,848,124) and net current liabilities of £7,340,350 (2018: £5,988,005). At 31 August 2019, the group had bank loans and overdrafts of £7,989,399 (2018: £7,900,562). The Governors are of the view that the Association has sufficient funds to enable the Association to continue its activities on a going concern basis for a period of at least 12 months from the date of approval of these financial statements. The financial statements have been prepared on a going concern basis. Since the year end, the sale of the Oratory Preparatory School and the surplus residential properties has generated sufficient funds to clear overdrafts and reduce the loan balances. Income is increasing with the rise in pupil numbers for the year ending 31 August 2020 and a further rise in pupil numbers is forecast for the year ending 31 August 2021, helped by the school going co-educational from September 2020.

1.4 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.

1.5 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.

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Income

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.

1.7 Expenditure

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

Support costs have not been allocated to the separate expenditure headings of teaching costs, welfare and premises as the main activity is the provision of education and any allocation would not make more meaningful presentation.

1.8 Grants payable

No grants are made except for scholarships and bursaries.

1.9 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.

1.10 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

Freehold land and assets under construction are not depreciated.

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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

1.11 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains on investments' in the Statement of financial activities.

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.

1.12 Operating leases

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

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.17 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.

1.18 Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

1.19 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.20 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.21 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Going concern

The governors consider that the financial statements should be prepared on a going concern basis. The assumptions made in reaching this conclusion are outlined in note 1.3.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Bad debts

Using information available at the balance sheet date, the charity makes judgements based on experience regarding the level of provision required to account for potentially uncollectible amounts.

Pensions

Various assumptions are made in reporting the performance of the charity's share of the pension scheme. The principal assumptions made are disclosed in note 25.

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations and grants	51,629	51,629	164,375
	<u>51,629</u>	<u>51,629</u>	
Total 2018	164,375	164,375	
	<u>164,375</u>	<u>164,375</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Non ancillary trading income	122,494	122,494	105,388
	<u>122,494</u>	<u>122,494</u>	
Total 2018	105,388	105,388	
	<u>105,388</u>	<u>105,388</u>	

Non ancillary trading income

	2019 £	2018 £
External courses and sports tuition	115,326	95,961
School fees protection insurance	7,168	9,427
	<u>122,494</u>	<u>105,388</u>
Total	122,494	105,388
	<u>122,494</u>	<u>105,388</u>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. TRADING ACTIVITIES OF SUBSIDIARIES

	Unrestricted funds 2019 £	Total funds 2018 £
Trading income		
Trading income	601,960	538,869
	<u>601,960</u>	<u>538,869</u>
Trading expenditure		
Trading expenses	337,568	353,199
Trading wages & salaries	89,553	59,752
Trading depreciation	3,720	3,720
	<u>430,841</u>	<u>416,671</u>
Net income from trading activities of subsidiaries	<u>171,119</u>	<u>122,198</u>

In 2018, all of the income from trading activities related to unrestricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	4,187	4,187	12,005
	<u>4,187</u>	<u>4,187</u>	<u>12,005</u>
Total 2018	12,005	12,005	
	<u>12,005</u>	<u>12,005</u>	

Investment income

	2019 £	2018 £
Treasury stock	497	1,492
Unit trusts and investments	3,690	10,513
	<u>4,187</u>	<u>12,005</u>
Total	<u>4,187</u>	<u>12,005</u>

Split by location

	2019 £	2018 £
Investment assets in the UK	1,507	4,332
Investment assets outside the UK	2,680	7,673
	<u>4,187</u>	<u>12,005</u>
Total	<u>4,187</u>	<u>12,005</u>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Gross fees less scholarships and bursaries	10,384,290	10,384,290	11,334,115
Registration fees and forfeited deposits	41,205	41,205	16,921
	<u>10,425,495</u>	<u>10,425,495</u>	<u>11,351,036</u>
Total 2018	<u>11,351,036</u>	<u>11,351,036</u>	

8. DETAIL OF INCOME FROM CHARITABLE ACTIVITIES

School fees	2019 £	2018 £
Gross fees	11,532,265	12,349,359
Less scholarships and bursaries	(1,147,975)	(1,015,244)
Total	<u>10,384,290</u>	<u>11,334,115</u>

Other ancillary income

	2019 £	2018 £
Registration fees and forfeited deposits	<u>41,205</u>	<u>16,921</u>

Consolidated extras are included within school fees.

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Fundraising	88,195	3,720	338,926	430,841	416,671
Costs of raising funds	88,195	3,720	338,926	430,841	416,671
Teaching costs	6,012,223	68,148	637,148	6,717,519	6,276,757
Welfare	855,882	23,602	937,902	1,817,386	2,102,748
Premises	529,956	935,927	1,921,142	3,387,025	3,711,183
Support costs	1,052,066	-	609,924	1,661,990	1,536,191
Charitable activities	8,450,127	1,027,677	4,106,116	13,583,920	13,626,879
Expenditure on governance	21,339	-	41,945	63,284	62,278
	8,559,661	1,031,397	4,486,987	14,078,045	14,105,828
Total 2018	8,463,666	1,161,073	4,481,089	14,105,828	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	1,031,397	1,161,073
Interest payable	194,862	220,134

During the year, no governors received any remuneration (2018 - £NIL).

During the year, no governors received any benefits in kind (2018 - £NIL).

Governors received reimbursement of expenses amounting to £7,046 in the current year (2018: £4,909). The Association paid £765 (2018: £2,316) during the year to purchase indemnity insurance for the Governors and the employees of the Association.

11. AUDITOR'S REMUNERATION

	2019 £	2018 £
Fees payable to the company's auditor in respect of:		
Audit fees	17,300	19,200
Other services	12,510	9,950

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

12. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	7,126,307	7,041,172
Social security costs	640,161	629,690
Other pension costs (Note 25)	793,193	792,804
	<u>8,559,661</u>	<u>8,463,666</u>

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

	2019 No.	2018 No.
Educational Staff	167	167
Domestics and Matron	57	41
Administrative	41	35
Maintenance and Grounds	19	18
Charity	1	-
	<u>285</u>	<u>261</u>

The number of higher paid employees was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	5
In the band £80,001 - £90,000	2	0
In the band £90,001 - £100,000	0	1
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	0	1

The charity considers its key management personnel comprise the Governors and senior management team. The total employment benefits, including employer pension and national insurance contributions, of the key management personnel were £956,821 (2018: £823,814).

13. FINANCE COSTS

	2019 £	2018 £
Loan interest payable	194,862	220,134
Bank charges	107,032	77,067
Brokers charges	4,788	11,715
	<u>306,682</u>	<u>308,916</u>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

14. 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 2018 and 2019.

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 16.

15. 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 net movement of funds after investment and pension movements within the parent company alone is a deficit of £2,934,509 (2018: £1,845,636).

16. ORATORY TRADING LIMITED

	2019 £	2018 £
Turnover	601,960	538,869
Cost of sales	(323,247)	(340,670)
	<hr/>	<hr/>
Gross profit	278,713	198,199
Administration (including interest paid)	(107,714)	(76,121)
	<hr/>	<hr/>
Operating profit	170,999	122,078
Donated under gift aid	(174,309)	(124,564)
	<hr/>	<hr/>
Retained loss	(3,310)	(2,486)
Retained profit brought forward	20,712	23,198
	<hr/>	<hr/>
Retained profit carried forward	17,402	20,712
	<hr/> <hr/>	<hr/> <hr/>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. TANGIBLE FIXED ASSETS

Group	Land and buildings £	Building improvements £	Plant and equipment £	Total £
Cost				
At 1 September 2018	29,330,996	7,019,805	4,846,118	41,196,919
Additions	13,368	48,670	81,836	143,874
At 31 August 2019	29,344,364	7,068,475	4,927,954	41,340,793
Depreciation				
At 1 September 2018	8,722,542	5,943,030	4,436,505	19,102,077
Charge for the year	528,256	301,669	201,472	1,031,397
At 31 August 2019	9,250,798	6,244,699	4,637,977	20,133,474
Net book value				
At 31 August 2019	20,093,566	823,776	289,977	21,207,319
At 31 August 2018	20,608,454	1,076,775	409,613	22,094,842
Company	Land and buildings £	Building improvements £	Plant & machinery £	Total £
Cost				
At 1 September 2018	29,330,996	7,019,805	4,768,650	41,119,451
Additions	13,368	48,670	81,426	143,464
At 31 August 2019	29,344,364	7,068,475	4,850,076	41,262,915
Depreciation				
At 1 September 2018	8,722,542	5,943,030	4,371,549	19,037,121
Charge for the year	528,256	301,669	197,752	1,027,677
At 31 August 2019	9,250,798	6,244,699	4,569,301	20,064,798
Net book value				
At 31 August 2019	20,093,566	823,776	280,775	21,198,117
At 31 August 2018	20,608,454	1,076,775	397,101	22,082,330

Included in land and buildings is freehold land at cost of £269,548 (2018 - £269,548) which is not depreciated.

Assets under construction are included within building improvements. When a new building is completed the cost is transferred to land and buildings.

It has not been the Association's policy to revalue fixed assets in the financial statements. As a result the current market value of certain properties is greater than their book value. A recent valuation carried out for bank security purposes indicated that the market value of land and buildings is substantially greater than the book value included in the financial statements.

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. FIXED ASSET INVESTMENTS

Group	Quoted and other investments £
Market value	
At 1 September 2018	630,616
Additions	168,306
Disposals	(804,220)
Revaluations	5,298
	<hr/>
At 31 August 2019	-
	<hr/> <hr/>

Group investments at market value comprise:

	UK £	Overseas £	2018 £
Quoted and other investments	-	-	630,616
	<hr/>	<hr/>	<hr/>

Group material investments

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

	31 August 2019 £	31 August 2018 £
1.25% Treasury Index	-	34,115
Ruffer SICAV Fixed Income Z GBP	-	98,519
Ruffer Illiquid Multi Strategies Fund 2015 Limited	-	39,599
	<hr/>	<hr/>
	-	172,233
	<hr/> <hr/>	<hr/> <hr/>

The Association owns 100% of the issued share capital of two subsidiaries with a book value of £10,001 (2018: £10,001) and therefore consolidated quoted investments are £nil (2018: £630,616).

Company	Quoted and other investments £	Unlisted securities £	Total £
Market value			
At 1 September 2018	630,616	10,001	640,617
Additions	168,306	-	168,306
Disposals	(804,220)	-	(804,220)
Revaluations	5,298	-	5,298
	<hr/>	<hr/>	<hr/>
At 31 August 2019	-	10,001	10,001
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. FIXED ASSET INVESTMENTS (continued)

Company investments at market value comprise:

	2019 £	2018 £
Quoted and other investments	-	630,616
Group	10,001	10,001
	<hr/>	<hr/>
Total	10,001	640,617
	<hr/>	<hr/>

Analysis of the market value of listed investments

	2019 £	2018 £
UK fixed interest	-	290,051
Investment trusts	-	285,676
UK shares	-	54,889
	<hr/>	<hr/>
Total	-	630,616
	<hr/>	<hr/>

The assets and liabilities of the subsidiaries were:

ORATORY TRADING LIMITED	2019 £	2018 £
Tangible fixed assets	9,202	12,512
Net current assets	18,200	18,200
	<hr/>	<hr/>
	27,402	30,712
	<hr/>	<hr/>
Representing:		
Share capital	10,000	10,000
Profit and loss account	17,402	20,712
	<hr/>	<hr/>
	27,402	30,712
	<hr/>	<hr/>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

ACADEMY CATERING LIMITED	2019 £	2018 £
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

19. DEBTORS

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	316,527	406,346	250,448	315,480
Amounts owed by group undertakings	-	-	128,981	121,372
Prepayments and accrued income	131,373	159,572	131,373	159,572
	447,900	565,918	510,802	596,424

Trade debtors

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Fees	227,950	290,986	227,950	290,986
Trade debtors	66,079	90,866	-	-
Other debtors	22,498	24,494	22,498	24,494
Total	316,527	406,346	250,448	315,480

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. CREDITORS: Amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	4,253,247	4,207,883	4,253,247	4,207,883
Trade creditors	604,561	418,625	527,530	348,143
Other taxation and social security	157,940	32,848	151,494	-
Advanced fees				
Advance fee scheme and fees invoiced in advance	-	119,907	-	119,907
Other creditors	2,778,078	1,870,883	2,778,078	1,870,883
Accruals and deferred income	219,932	94,629	209,933	84,630
	75,895	197,103	57,678	179,348
	8,089,653	6,941,878	7,977,960	6,810,794

21. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	3,736,152	3,692,679	3,736,152	3,692,679
Fee deposits	1,156,432	1,097,500	1,156,432	1,097,500
	4,892,584	4,790,179	4,892,584	4,790,179

Included within the above are amounts falling due as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Between one and two years				
Bank loans	479,372	479,372	479,372	479,372
Between two and five years				
Bank loans	1,321,180	1,321,180	1,321,180	1,321,180
Over five years				
Bank loans	1,935,600	1,892,127	1,935,600	1,892,127

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Repayable by instalments	1,935,600	1,892,127	1,935,600	1,892,127

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

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. CREDITORS: Amounts falling due after more than one year (continued)

The bank overdraft and loans are secured by an unlimited debenture dated 24 July 2019 incorporating a fixed and floating charge, together with 1st legal charges over certain freehold properties and land owned by the association and a letter of negative pledge dated 14 June 2000. This letter of negative pledge, which is held by Lloyds 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

	2019 £	2018 £
Bank overdraft	4,253,247	3,637,567
Bank loans	3,736,152	4,262,995
	<hr/>	<hr/>
Total	7,989,399	7,900,562
	<hr/>	<hr/>

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General Funds - all funds	11,827,367	11,205,765	(14,064,045)	5,298	8,974,385
Pension reserve	(45,000)	-	(14,000)	(71,000)	(130,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,782,367	11,205,765	(14,078,045)	(65,702)	8,844,385
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
General funds					
General Funds - all funds	13,735,491	12,171,673	(14,091,828)	12,031	11,827,367
Pension reserve	(105,000)	-	(14,000)	74,000	(45,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	13,630,491	12,171,673	(14,105,828)	86,031	11,782,367
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2019	2018
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(2,866,982)	(1,922,124)
Adjustment for:		
Depreciation charges	1,031,397	1,161,073
Losses/(gains) on investments	(5,298)	(12,031)
Income from investments	(4,187)	(12,005)
Decrease/(increase) in stocks	19,293	(21,215)
Decrease/(increase) in debtors	118,018	(28,524)
Increase/(decrease) in creditors	1,161,343	(635,752)
Movement in pension deficit valuation	85,000	(60,000)
Pension scheme actuarial (loss)/gain	(71,000)	74,000
Net cash used in operating activities	<u>(532,416)</u>	<u>(1,456,578)</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2019	2018
	£	£
Cash in hand	179,395	126,747
Overdraft facility repayable on demand	(4,253,247)	(3,637,567)
Total	<u>(4,073,852)</u>	<u>(3,510,820)</u>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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. A full actuarial valuation was carried out at 30 November 2017 by a qualified actuary and updated to 31 August 2019. The major assumptions used are shown below.

The organisation has agreed with the Trustees that it will pay amounts equal to the levy payments required to be made to the Pension Protection Fund. Management and administration expenses are payable in addition as and when they are due.

The group operates a defined benefit pension scheme.

Principal actuarial assumptions at the balance sheet date:

	2019	2018
Discount rate at 31 August	1.80 %	2.70 %
Pension in payment increases in line with inflation up to 5% per annum	3.10 %	3.10 %
Revaluation rate for deferred pensioners	2.30 %	2.30 %
Inflation (RPI)	3.20 %	3.20 %
Inflation (CPI)	2.30 %	2.30 %

The assets in the scheme were:

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
With-profits policies	369,000	366,000
Total fair value of assets	<u>369,000</u>	<u>366,000</u>

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

	2019 £	2018 £
Past service cost	<u>(810)</u>	<u>(795)</u>

THE ORATORY SCHOOLS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. PENSION SCHEMES (continued)

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

	2019	2018
	£	£
Opening defined benefit obligation	411,000	468,000
Interest cost	12,000	12,000
Actuarial losses/(gains)	76,000	(69,000)
Benefits paid	(11,000)	(11,000)
Expenses	11,000	11,000
	<hr/>	<hr/>
Closing defined benefit obligation	499,000	411,000
	<hr/> <hr/>	<hr/> <hr/>

Changes in the fair value of scheme assets were as follows:

	2019	2018
	£	£
Opening fair value of scheme assets	366,000	363,000
Interest income	9,000	9,000
Actuarial gains	5,000	5,000
Benefits paid	(11,000)	(11,000)
	<hr/>	<hr/>
	369,000	366,000
	<hr/> <hr/>	<hr/> <hr/>

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. PENSION SCHEMES (continued)

The mortality assumptions adopted at 31 August 2019 imply the following life expectancies:

Male retiring in 2019	20.4
Female retiring in 2019	22.3
Male retiring in 2039	21.5
Female retiring in 2039	23.6

The best estimate of contributions to be paid by the organisation to the scheme for the period commencing 1 September 2019 is £Nil.

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2019	2018	2017	2016	2015
	£	£	£	£	£
Defined benefit obligation	(499,000)	(411,000)	(468,000)	(496,000)	(404,000)
Scheme assets	369,000	366,000	363,000	353,000	361,000
Deficit	(130,000)	(45,000)	(105,000)	(143,000)	(43,000)
Experience adjustments on scheme liabilities	(21,000)	(21,000)	6,000	71,000	6,000
Experience adjustments on scheme assets	5,000	5,000	14,000	1,000	(9,000)

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

25. PENSION SCHEMES (continued)

Teachers Superannuation Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next revision to the employer contribution rate took effect from September 2019 and the rate increased to 23.6%.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

The pension charge for the year includes contributions payable to the TPS of £644,225 (2018: £643,790).

THE ORATORY SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

26. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	Land and buildings		2019	Other
	2019	2018		
	£	£	£	£
Amounts payable:				
Within 1 year	-	-	216,953	122,739
Between 1 and 5 years	-	-	462,718	558,012
After more than 5 years	-	-	17,021	-
Total	-	-	696,692	680,751

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 publicly available, the company has taken advantage of the exemption under the Charities SORP (FRS 102) not to disclose intra-group transactions.

28. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date the company sold the Oratory Preparatory School (OPS) for £8m. The net expenditure before investment gains included in the financial statements for the year ended 31st August 2019 relating to the OPS was £241,404. The net assets relating to the OPS as at 31st August 2019 were £6,697,969.