

**THE LONDON ORATORY CHARITY**  
**Charity Number: 240702**  
**TRUSTEES' ANNUAL REPORT**  
**AND**  
**CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

haysmacintyre  
Chartered Accountants  
10 Queen Street Place  
London  
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# THE LONDON ORATORY CHARITY

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**THE LONDON ORATORY CHARITY**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>REGISTERED CHARITY NUMBER:</b>	240702
<b>TRUSTEES:</b>	The Reverend Julian Large (Provost and Chairman of Trustees) Revd R Creighton-Jobe (to 26 March 2018) Revd G Bowen Revd Rupert McHardy Rev'd Michael Lang Rev'd Edward van den Bergh (from 26 March 2018)
<b>OFFICE:</b>	The Oratory Brompton Road London SW7 2RP
<b>GOVERNING INSTRUMENT:</b>	Charity Commission Scheme dated 14 August 1969
<b>AUDITORS:</b>	haysmacintyre 10 Queen Street Place London EC4R 1AG
<b>SOLICITORS:</b>	Withers 20 Old Bailey London EC4M 7EG
<b>BANKERS:</b>	National Westminster Bank Plc 186 Brompton Road London SW3 1XJ
<b>INVESTMENT MANAGERS:</b>	Heartwood Wealth Management Ltd No.1 Kingsway London WC2B 6AN
<b>INVESTMENT POWERS:</b>	The provisions of the Trustees Act 2000 applied during the year.

## **THE LONDON ORATORY CHARITY**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **OBJECTIVES AND ACTIVITIES**

#### **THE CHARITY'S OBJECTS**

The Scheme specifies "the object of the Charity shall be to advance the religious and other charitable work for the time being carried on by or under the direction of the Congregation of the Oratory of St Philip Neri in London in such ways as the Trustees of the Charity with the approval of the Congregation think fit".

This object is fulfilled in the following ways:

- The provision of religious and pastoral services
- The provision of Catholic Education
- The maintenance and upkeep of the Oratory Church and its associated premises in Brompton Road SW7, known as Brompton Oratory.

#### **ACTIVITIES IN THE YEAR**

The proclamation of the Catholic Faith is the main activity of the Oratory. This takes place in the Oratory church, with daily Masses and many other regular services. The Oratory Fathers who currently comprise the Congregation of the Oratory of St Philip Neri in London, provide a wide range of support and pastoral care for their parishioners and those who worship in the Oratory church, and do so in the spirit of their founder St Philip Neri.

St Philip founded the Oratory in 16th century Rome; this has spread world-wide, secular priests living together a community life without vows, each Congregation independent from one another, with members intending to stay in the same community for their whole lives. This apostolate was brought to England by Blessed Cardinal Newman in the 1840's, with Father Faber founding the London Oratory at first in cramped premises near the Strand, moving to South Kensington in 1854. Since that time, the Oratory Fathers have continued pastoral work in London, often in conjunction with other parishes and organisations in the Roman Catholic Archdiocese of Westminster, of which the Oratory parish forms a part. The parish covers a large area of South Kensington, bounded by Gloucester Road, Hyde Park, Walton Street, Cale Street and Old Brompton Road.

A large Sunday Mass attendance and provision of the Sacraments and Christian formation to the parish and to regular worshippers, together with Catholic chaplaincy duties at the Royal Brompton Hospital, provide the ongoing work of the Oratory's mission. Additionally, the Fathers are Trustees and chaplains of two schools, the Oratory Primary School in Chelsea and the London Oratory School in Fulham. A website, [www.bromptonoratory.co.uk](http://www.bromptonoratory.co.uk), gives details of the Charity's religious and pastoral activities.

#### **MUSIC**

A special feature of the Oratory has been its musical tradition, inspired by St Philip's own patronage of Palestrina, and the Fathers aim to maintain the highest standards in Church music. In this, they are following the directions of the Second Vatican Council; "Large choirs existing ... in major churches, which have in the course of centuries earned for themselves high renown by preserving and developing musical heritage of inestimable value, should be retained for sacred celebrations of a more elaborate kind" (Instruction on Music in the Sacred Liturgy, 1967). It is this heritage of Gregorian chant and the great works of Catholic Church music that is kept alive each Sunday and on major feast days.

A generous legacy was bequeathed by the late Jennifer Paterson for the maintenance of the Oratory Choir, establishing a Restricted fund, the Choir Fund, to help meet the costs of the Oratory choir, which sings at Solemn Mass and Vespers.

In 2003 a major overhaul of the church organ, built by J W Walker in 1954, was put in hand, and completed in 2007. This instrument is one of the most important built in London in the post-World War II period. Possessing 45 stops on three manuals, it was designed by Ralph Downes, organist of the Oratory 1936-77. The British Institute of Organ Studies Journal, 1996 describes it as the most successful of its kind in London.

In 2011, a scholarship was established to support the new position of Organ Scholar, through the generosity of a regular worshipper, in memory of his late wife, June Pettman. The funds of this scholarship have been significantly augmented with a large legacy, receivable in 2017. The Fathers are most grateful to Mr Pettman for this wonderful gesture of support.

## **THE LONDON ORATORY CHARITY**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **PREMISES**

The Oratory premises consist of the Oratory Church with the Lodge, the Oratory House and Halls, and the Newman Statue. The Church, built between 1880-84 with the dome and façade added in the 1890's, is a Grade II\* listed building in neo-Baroque style. The Oratory House and Halls, built between 1853 and 1911, comprise the domestic areas of the Oratorian community, administration offices, Little Oratory, and parish halls. These are Grade II\* listed buildings. The Statue of Cardinal Newman (1896) on Brompton Road has a Grade II listing. All of these properties are owned freehold. The upkeep of these extensive premises requires substantial management and both ongoing and major maintenance.

#### **SCHOOLS**

The Oratory Fathers have had a longstanding commitment to Catholic Education, and are presently Trustees of two schools, the Oratory Primary School in Cale Street, Chelsea, and the London Oratory School in Fulham. The London Oratory School was granted Academy status from 1 August 2011.

#### **VOLUNTEER HELP**

The Fathers of the Oratory (Congregation of the Oratory of St Philip Neri) rely substantially on volunteer help and financial support in many of their pastoral activities, and are much encouraged by the continuing level of commitment from a large number of people over many years.

#### **NOVICES**

A duty on the Congregation is to recruit, educate and train suitable candidates for the Catholic Priesthood, to serve as priests in the Oratory for the rest of their lives. Unlike religious Orders and Catholic dioceses, candidates join the Oratory to become members of the Community in that location; clergy are not moved from house to house by a superior or bishop. There were four candidates at 31 December 2017 (2016 - two).

#### **PUBLIC BENEFIT**

The primary public benefit of the Oratory is the provision of an ethical and moral code for society: the Oratory communicates, educates, encourages and coaches individuals into following and living the Catholic faith. The Oratory strongly supports the spiritual, moral and academic education of children, through catechetical programmes and sacramental preparation, as well as maintaining two schools. The Oratory also provides and maintains its church and other listed buildings. Further details of these activities are given throughout the Annual Report and Accounts.

That the Oratory does produce a public benefit beyond that benefit that accrues to its members, is shown in the public character of its distinctive buildings. All members of the public are welcome to enter the Oratory church free of charge for purposes connected to prayer, worship, meditation and the advancement of religion.

In addition to donations to the charity, Oratory parishioners and visitors donated £16,901 to Aid to the Church in Need, (2016 - £22,341), £21,864 to UK and international Catholic charities, (2016 - £12,700), £8,950 to the Archdiocese of Westminster (2016 - £9,248) and £2,231 to the London Oratory School Schola (2016 - £3,208).

The Trustees confirm that, in determining the activities of the charity, they have paid regard to guidance issued by the Charity Commission on public benefit.

#### **ACHIEVEMENTS AND PERFORMANCE**

As in previous years, the Oratory provided religious services, pastoral care and education throughout the year, in the Oratory church and premises at Brompton Road, at the Oratory schools, in hospitals and elsewhere. The Fathers made themselves available to parishioners, visitors and those in need. Every day of the year the Church remained open for prayer and visiting. The pastoral and spiritual work undertaken by the Fathers is not susceptible to numerical measurement, and continues year by year within a long-established framework.

## **THE LONDON ORATORY CHARITY**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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Work put in hand in late 2016 to repair and redecorate St Patrick's Chapel, was completed in 2017. Work has been put in hand in mid-2018 on a large scale renewal of the boiler-room and central heating provision.

#### **INVESTMENT POLICY AND PERFORMANCE**

The target set for the fund managers is to achieve a certain return of both income and capital growth with no more than a moderate level of risk.

During the year the value of the Charity's investment portfolio rose. The continuing stock market volatility since the year end emphasises that a considerable degree of caution is needed when considering investment values.

Investment values do not necessarily represent liquid resources to spend; the capital sums need to be held to generate income to support the Charity's ongoing work and commitments.

The investment target for 2017 was for a total return of inflation plus 3.5%. The total return for 2017 was 8%. The investment model target for 2018 is inflation plus 3.5%.

#### **FUNDRAISING**

The bulk of the charity's activities are carried out in supporting a very large and well-known Roman Catholic church and parish. Funds are gathered mainly through individual donations of those who attend the church throughout the year. On one Sunday each year there is a preached appeal for St Raphael's Fund, for the education and training of new priests. We do not use professional fundraisers, and have had no complaints about fundraising.

#### **PLANS FOR FUTURE PERIODS**

The Oratory Fathers plan to continue all their present activities

- their pastoral work in the Oratory Church and Parish,
- their schools,
- the upkeep and development of their premises,
- maintenance of sufficient reserves, and generation of further growth of investment portfolios to ensure the long-term future of the charity.

With the support and collaboration of those who are drawn to Christ and His Church and who seek the Oratory's help in fulfilling their Christian vocation to know, love and serve God in this world and to be happy with Him for ever in the next.

#### **FINANCIAL REVIEW**

Principal sources of income include donations made at religious services in the Oratory Church; Offertory collections £325,588 (2016: £318,276) other voluntary contributions made directly for the support of the Oratory church: £348,952 (2016: £314,500), and contributions to support Music: £30,340 (2016: £47,788). The Appeal for St Raphael's Fund for the education and support of Oratory students for the priesthood raised £25,731(not held in 2016). Donations for large scale church improvement projects came to £1,065, for the Primary School £4,305, Garden Party £20,976. Donations for social and pastoral activities totalled £57,402 (2016: £53,595). The Fathers are especially grateful for a restricted donation of £89,685 to meet the cost of a replacement sound system in the church. General donations totalled £59,394. Investment income totalled £215,112 (2016: £202,059). Legacies totalled £1,280,474 (2016: £360,234).

Details of expenditure are given in Notes 2 to 4 of the Annual Accounts.

## **THE LONDON ORATORY CHARITY**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **RESERVES**

Unrestricted funds at 31 December 2017 totalled £10,935,016 (2016: £10,298,592) of which £39,258 (2016: £60,105) has been set aside for specific purposes leaving £10,895,758 (2016: £10,238,487) for the general purposes of the Charity. This is equivalent to approximately 9.2 years' unrestricted expenditure. However, the Unrestricted Fund net current assets total £180,442 (2016: £406,080) is equivalent to approximately 2 months (2016: 4 months) Unrestricted Fund expenditure.

Given the listed building status and historic nature of the whole Brompton Road premises, the independent position of the Oratory, (separate from the Archdiocese of Westminster and from other Oratories), and the prevalent financial and economic uncertainty, this is regarded as an appropriate level necessary for supporting the Charity's ongoing commitments, and securing its long term operation.

Although in the past the trustees have maintained reserves at a level in the region of 5 to 8 months unrestricted expenditure, major projects on the church and house roofs completed during in 2011/12 and 2014 combined with a systematic review of cash flow, low returns on bank deposits, and the expectation that a further large legacy would be receivable in 2017 lessened the need to maintain this level at the end of 2017.

#### **RISK REVIEW**

The trustees believe that by monitoring reserve levels, by ensuring the existence of controls over key financial systems, by taking regular professional advice, by having in place appropriate insurances, and by examining the operational and business risks faced by the Trust they have established routinely effective systems to mitigate those risks. The systems are devised according to need. The scope of all these measures is reviewed regularly by the Trustees.

##### **Safeguarding**

The safeguarding of children and of adults at risk is of great importance to the Oratory. Failing to prevent abuse of the vulnerable has serious repercussions for the individual, the mission of the Oratory and the Catholic Church. The consequences of abuse of individuals can be grave and long-lasting. The Charity's aim is to prevent this from happening to children or adults at risk, whilst in the care of the Church. To mitigate this risk, the Charity follows the policies and procedures put in place by the Catholic Church in England and Wales.

##### **Community age profile**

While the age profile of the members is increasing, as existing members grow older. The fathers seek to reduce the age profile by nurturing the vocations of those who approach the Oratory; some continue their path of discernment here, others try their vocation elsewhere in the Catholic Church, other still find that their vocation is to a different state in life. A restricted fund (St Raphael's) has been established to provide for the support and training of new candidates for the priesthood.

##### **Long-term financial sustainability**

Risks include reductions in key sources of revenue, and increased costs of staffing and routine maintenance and compliance upgrades of the premises.

The Oratory's income comes from four main sources – collections and other donations made in church, investment income, legacies, and income from varied external uses of the premises. This is supplemented by fund-raising for special projects, and other smaller income streams.

##### **Property upkeep**

The two main Oratory buildings are both 19th century Grade II\* Listed Buildings. Their long-term fitness for use requires regular large scale projects to keep them watertight and the infrastructure up to date, whilst maintaining the historic character of the buildings, often involving specialist contractors and specialist skills.

The trustees are developing a ten year plan to evaluate and prioritise necessary renovations and modernisations.

## **THE LONDON ORATORY CHARITY**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **CONSTITUTION**

The London Oratory Charity is a Charitable Trust established by a scheme of the Charity Commissioners dated 14 August 1969, Charity Registration Number 240702. The Trustees were granted a Certificate of Incorporation by the Charity Commissioners on 10 February 1970.

### **ORGANISATION**

The Charity is governed by the Congregation of the Oratory of St Philip Neri in London, a Society of Apostolic Life within the Roman Catholic Church; the priests elect from within their number 5 Trustees to serve for three years. At the triennial election on 25 March 2015 Revd Julian Large was re-elected as Provost and Chairman of Trustees, and Revds Ronald Creighton-Jobe, George Bowen, Rupert McHardy and Michael Lang were re-elected as Trustees. At the triennial election on 26 March 2018 Revd Julian Large was re-elected as Provost and Chairman of Trustees, Revds George Bowen, Rupert McHardy and Michael Lang were re-elected as Trustees, and Revd Edward van den Bergh was also elected. The Trustees and the Congregation meet frequently to plan and carry forward their spiritual and pastoral responsibilities, and to attend to the financial, property, legal and administrative affairs of the Trust.

The trustees are drawn from amongst the existing Fathers, and have already been closely involved in carrying out the charity's pastoral work and other activities.

As well as carrying out the majority of the Charity's pastoral and religious works, the trustees are closely involved in all the activities of the Charity, and as such constitute its key management personnel. They receive no remuneration for their duties.

### **SUBSIDIARY**

The Charity had established a trading subsidiary, Blemell House Limited, which was incorporated on 6 January 2012 and took over the charity's trading activities including the Oratory's shop, car parking and magazine sales. The company has traded profitably since being established, and it is anticipated that it will continue to do so.

### **Statement by the Trustees on the capital value of School Buildings & Lands**

The land on which the Oratory Primary School and London Oratory School are located, is in the ownership of the Trust. The main consequence of this that the users of the land, the Governors of the Schools, who have no title of their own in the land, thereby come under an obligation to use the property for the purposes set out in the Trust Deed, i.e., they must promote a Catholic School in the buildings which they occupy. The other benefits of ownership that would normally follow on from legal title do not in fact accrue to the Trustees, as the extent to which they can charge rents, take mortgages on the property, etc., are all greatly hemmed in by Education Law which gives the Secretary of State for Education power over whether a sale takes place, and if it does take place, how the proceeds of sale should be used. These restrictions lead the Trustees to conclude that so long as the Schools operate as going concerns, there is no capital value to the Oratory in the stock of school lands and buildings. For these reasons they are not capitalised.

### **TRUSTEES' EXPENSES**

The Trustees are all Roman Catholic priests and members of the Congregation of the Oratory. They are housed by the Trust and are reimbursed for the expenses incurred in carrying out their ministry in the same way as all other priests of the Congregation. However, no Trustee received any remuneration or expenses from the Charity in connection with their duties as Trustees during the year. No Trustee had any beneficial interest in any contract with the Charity.



## **THE LONDON ORATORY CHARITY**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable 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 charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Scheme dated 14 August 1969. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 31<sup>st</sup> October 2018 and signed as authorised on their behalf by:

Father Julian Large – Trustee

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE LONDON ORATORY CHARITY

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### Opinion

We have audited the financial statements of The London Oratory Charity for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets and Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2017 and of the group's net movement in funds 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 Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Conclusions relating to going concern

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
THE LONDON ORATORY CHARITY (continued)**

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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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

**haysmacintyre  
Statutory Auditors**

**10 Queen Street Place  
London  
EC4R 1AG**

Date: 31<sup>st</sup> October 2018

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE LONDON ORATORY CHARITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
<b>Income from:</b>					
Donations and legacies:					
- Donations and gifts		778,240	185,198	963,438	961,760
- Legacies		24,014	1,256,460	1,280,474	360,234
Charitable activities:					
- Oratory fees		88,896	-	88,896	129,692
- Sales of Oratory magazine		5,402	-	5,402	5,862
Other trading activities					
- Oratory shop sales		30,904	-	30,904	38,695
Investments		152,089	63,023	215,112	202,059
<b>Total Income</b>		<u>1,079,545</u>	<u>1,504,681</u>	<u>2,584,226</u>	<u>1,698,302</u>
<b>Expenditure on:</b>					
Raising funds:					
Fundraising	2	7,063	-	7,063	6,932
Trading	2	37,826	-	37,826	32,993
Investment management		76,013	19,007	95,020	87,332
Charitable activities	3	1,058,157	394,539	1,452,696	1,399,677
<b>Total Expenditure</b>	5	<u>1,179,059</u>	<u>413,546</u>	<u>1,592,605</u>	<u>1,526,934</u>
<b>Net income/(expenditure) before gains on investments</b>		(99,514)	1,091,135	991,621	171,368
Net gains on investments	8	646,253	258,320	904,573	1,151,103
<b>Net income before transfers</b>		<u>546,739</u>	<u>1,349,455</u>	<u>1,896,194</u>	<u>1,322,471</u>
Transfers between funds	11	89,685	(89,685)	-	--
<b>Net movement in funds</b>		<u>636,424</u>	<u>1,259,770</u>	<u>1,896,194</u>	<u>1,322,471</u>
<b>Reconciliation of funds:</b>					
Funds brought forward 1 January 2017		10,298,592	3,183,132	13,481,724	12,159,253
<b>Funds carried forward 31 December 2017</b>		<u>£10,935,016</u>	<u>£4,442,902</u>	<u>£15,377,918</u>	<u>£13,481,724</u>

All transactions during the year were derived from continuing activities.

Comparative figures for the Statement of Financial Activities for year ended 31 December 2016 can be seen in note 19 to these financial statements.

The notes on pages 14 to 25 form part of these accounts.

**THE LONDON ORATORY CHARITY**

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

		<b>2017</b>		<b>2016</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible fixed assets	7		121,080		73,789
Investments	8		13,757,387		12,721,256
			<u>13,878,467</u>		<u>12,795,045</u>
<b>CURRENT ASSETS</b>					
Stock		26,788		26,792	
Debtors	9	1,428,585		148,890	
Cash at bank and in hand		224,300		654,369	
		<u>1,679,673</u>		<u>830,051</u>	
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(180,222)</u>		<u>(143,372)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,499,451</u>		<u>686,679</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES/NET ASSETS</b>			<u><u>£15,377,918</u></u>		<u><u>£13,481,724</u></u>
<b>FUNDS</b>					
Restricted funds	11		4,442,902		3,183,132
Unrestricted funds:					
Designated funds	12	39,258		60,105	
General funds		<u>10,895,758</u>		<u>10,238,487</u>	
			<u>10,935,016</u>		<u>10,298,592</u>
			<u><u>£15,377,918</u></u>		<u><u>£13,481,724</u></u>

The charity only surplus for the year amounted to £1,843,821.

The financial statements were approved and authorised for issue by the Board of Trustees on 31<sup>st</sup> October 2018 and were signed below on its behalf by:

The Reverend Julian Large  
Trustee

The notes on pages 14 to 25 form part of these accounts.

**THE LONDON ORATORY CHARITY**

**CHARITY BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	121,080	73,789
Investments	8	13,757,389	12,721,258
		<u>13,878,469</u>	<u>12,795,047</u>
<b>CURRENT ASSETS</b>			
Debtors	9	1,443,730	174,517
Cash at bank and in hand		223,377	646,122
		<u>1,667,107</u>	<u>820,639</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(167,658)</u>	<u>(133,962)</u>
<b>NET CURRENT ASSETS</b>		<u>(1,499,449)</u>	<u>686,677</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES/NET ASSETS</b>		<u>£15,377,918</u>	<u>£13,481,724</u>
<b>FUNDS</b>			
Restricted funds	11	4,442,902	3,183,132
Unrestricted funds:			
Designated funds	12	39,258	60,105
General funds		10,895,758	10,238,487
		<u>10,935,016</u>	<u>10,298,592</u>
		<u>£15,377,918</u>	<u>£13,481,724</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 31<sup>st</sup> October 2018 and were signed below on its behalf by:

The Reverend Julian Large  
Trustee

The notes on pages 14 to 25 form part of these accounts.

**THE LONDON ORATORY CHARITY**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**AS AT 31 DECEMBER 2017**

	<b>Notes</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	17	(423,938)	(36,617)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		215,112	202,059
Purchase of fixed assets		(89,685)	(9,604)
Proceeds from sale of investments		3,979,902	3,948,469
Purchase of investments		(4,414,862)	(3,507,345)
(Increase)/decrease in investment cash		303,402	(571,383)
Net cash (used in)/provided by investing activities		(6,131)	62,196
<b>Change in cash and cash equivalents in the year</b>		(430,069)	25,579
<b>Cash and cash equivalents at the start of the year</b>	18	654,369	628,790
<b>Cash and cash equivalents at the end of the year</b>	18	£224,300	£654,369

The notes on pages 14 to 25 form part of these accounts.

# THE LONDON ORATORY CHARITY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. ACCOUNTING POLICIES

##### a) Basis of preparation

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 to the UK and Republic of Ireland (FRS 102) (effective 1 January 2017) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The London Oratory Charity 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 notes.

##### b) Basis of Consolidation

The consolidated accounts consolidate those of the charity and of its subsidiary undertaking up to 31 December 2017. The result of the charity's non-charitable trading subsidiary, Blemell House Limited, has been consolidated within the Statement of Financial Activities. The charity's own accounts (excluding its subsidiary) showed a surplus in the year amounting to £1,843,821.

##### c) Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future.

##### d) Income recognition

The charity recognises income when all of the following criteria are met: the charity has entitlement to the funds and any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or similar income), the income and related expenditure are reported gross in the Statement of Financial Activities.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate and any conditions attached to the legacy are within the control of the charity. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors' intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations by means of collections or received in cash are recognised upon receipt of funds.

Interest on deposit funds held is included when receivable and the amount can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received or dividend is due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.



**1. ACCOUNTING POLICIES (continued)**

**e) Expenditure recognition**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, and their associated support costs. Fundraising costs do not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities includes the costs of operating the church and related activities and includes all activities undertaken to further the purposes of the charity and their associated support costs.

Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to charitable activities based on time spent in each area.

**f) Tangible Fixed Assets**

Fixed assets are capitalised if their original cost of purchase exceeds £600.

Depreciation is provided on all tangible fixed assets capitalised, at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Computer equipment	- 3 years
Fixtures, fittings and other equipment	- 5 years
Motor vehicles	- 4 years

The Charity had 2 voluntary aided church schools, one of which became an academy on 1 August 2011. The school properties (land and buildings) are vested in the name of the Charity. The London Oratory Charity cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the Secretary of State or the local authority may be entitled to recoup grant. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the Governors. The Trustees therefore consider that, for the purposes of these financial statements, the nature of their ownership is that of a custodianship and therefore these properties have not been capitalised. Details of these properties are set out in the notes to the accounts.

**g) Heritage assets**

No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. The age, variety and lack of comparable market data would make any attempt at valuation extremely onerous and costly compared with the benefit derived by users of the accounts.

**1. ACCOUNTING POLICIES (continued)**

**h) Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**i) Fund Accounting**

**Unrestricted funds**

Funds are available to spend on activities that further any of the purposes of the charity.

**Restricted Funds**

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

**Designated Funds**

Funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose:

Edifices Fund – to cover major repairs or improvements.

Halls Fund - for maintenance of St Wilfrid's Hall and St Joseph's Hall.

**j) Debtors**

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**k) Cash at bank**

Cash at bank and in hand includes bank accounts, 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.

**l) Stock**

Stock is included at the lower of cost and net realisable value.

**m) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**THE LONDON ORATORY CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (continued)**

**n) Estimation uncertainty**

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**o) Financial Instruments**

The Charity only has basic 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.

<b>2. RAISING FUNDS</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
<b>Fundraising</b>				
Advertisements and appeals	1,829	-	1,829	1,531
Summer Garden Party expenses	5,234	-	5,234	5,401
	<u>£7,063</u>	<u>£ -</u>	<u>£7,063</u>	<u>£6,932</u>
<b>Trading</b>				
Oratory shop cost of sales	<u>£37,826</u>	<u>£ -</u>	<u>£37,826</u>	<u>£32,993</u>

<b>3. CHARITABLE ACTIVITIES</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Church expenses	216,996	-	216,996	223,646
Music costs	139,859	83,071	222,930	241,334
Premises costs	351,408		351,408	301,063
Premises - Major Works	44,811	115,320	160,131	203,391
Premises - Schools	-	75,600	75,600	45,923
Community expenses	179,551	523	180,074	170,092
Novices	-	54,152	54,152	42,260
Social and pastoral	16,803	65,873	82,676	59,922
Diocese expenses	9,400	-	9,400	8,141
Donations - London Oratory School	-	-	-	95
Support costs (see below)	42,347	-	42,347	43,067
Governance (see note 4)	56,982	-	56,982	60,743
	<u>£1,058,157</u>	<u>£394,539</u>	<u>£1,452,696</u>	<u>£1,399,677</u>

**THE LONDON ORATORY CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

					<b>2017</b>	<b>2016</b>
					<b>£</b>	<b>£</b>
<b>SUPPORT COSTS CONSIST OF:</b>						
Printing, postage and stationery					5,474	5,441
Telephone and fax					7,152	7,691
Internet					5,876	5,155
Bank charges					17,772	16,089
Other					6,073	8,691
					<u>£42,347</u>	<u>£43,067</u>
<b>4. GOVERNANCE</b>					<b>Total</b>	<b>Total</b>
					<b>2017</b>	<b>2016</b>
					<b>£</b>	<b>£</b>
Salaries					28,087	30,340
Legal and professional charges					-	120
Auditors' remuneration:						
- Charity					19,650	19,080
- Blemell House					2,640	2,640
Other fees payable to the auditor - corporation tax					930	900
- other services					570	1,200
Other costs					5,105	6,463
					<u>£56,982</u>	<u>£60,743</u>
<b>5. TOTAL EXPENDITURE</b>						
	<b>Staff</b>	<b>Other</b>	<b>Governance</b>	<b>Depreciation</b>	<b>Total</b>	<b>Total</b>
	<b>Costs</b>	<b>Costs</b>			<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Charitable activities	337,859	1,016,331	56,982	41,524	1,452,696	1,399,677
Raising funds	-	139,909	-	-	139,909	127,257
	<u>£337,859</u>	<u>£1,156,240</u>	<u>£56,982</u>	<u>£41,524</u>	<u>£1,592,605</u>	<u>£1,526,934</u>
<b>Staff Costs</b>					<b>2017</b>	<b>2016</b>
					<b>£</b>	<b>£</b>
Wages and salaries					310,960	280,402
Social security costs					24,303	22,556
Pension costs					2,596	1,577
					<u>£337,859</u>	<u>£304,535</u>

No employee earned £60,000 pa or more.

**THE LONDON ORATORY CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>2017</b>	<b>2016</b>
The average number of employees was:	<u>15</u>	<u>15</u>

The trustees constitute the key management personnel – see note 6 below.

**6. TRANSACTIONS WITH TRUSTEES**

As members of the Congregation, the Trustees' living expenses during the year were borne by the Charity but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year (2016: Nil).

**7. TANGIBLE FIXED ASSETS – GROUP AND CHARITY**

	<b>Computers and Other Equipment £</b>	<b>Fixtures and Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>COST</b>				
At 1 January 2017	28,920	120,144	14,039	163,103
Additions	-	89,685	-	89,685
Disposals	(1,452)	-	-	(1,452)
	<u>27,468</u>	<u>209,829</u>	<u>14,039</u>	<u>251,336</u>
At 31 December 2017	27,468	209,829	14,039	251,336
<b>DEPRECIATION</b>				
At 1 January 2017	21,294	53,981	14,039	89,314
Charge for the year	3,489	38,035	-	41,524
Disposals	(582)	-	-	(582)
	<u>24,201</u>	<u>92,016</u>	<u>14,039</u>	<u>130,256</u>
At 31 December 2017	24,201	92,016	14,039	130,256
<b>NET BOOK VALUE</b> (represented by Fixed Assets used for charitable purposes)				
<b>2017:</b>	<u>£3,267</u>	<u>£117,813</u>	<u>£ -</u>	<u>£121,080</u>
<b>2016:</b>	<u>£7,626</u>	<u>£66,163</u>	<u>£ -</u>	<u>£73,789</u>

No value for the property (Listed Building Status Grade II\*), comprising The Oratory SW7 is reflected in the financial statements. The buildings were erected between 1854 and 1884 with further additions up to 1911. Historic cost data is not available and, in any event, the net book value, after charging normal rates of depreciation would not be material. The property has an insurance value of £36.3M, and a replacement cost of £115M.

Any material improvement to the buildings will be capitalised and depreciated over the expected useful life. Two schools are owned in the name of the London Oratory Charity:

The Oratory Primary School, a voluntary aided school in the Royal Borough of Kensington and Chelsea.

The London Oratory School, an academy in the borough of Hammersmith and Fulham.

The Trustees consider that the school properties have no capital value to the London Oratory Charity – see Accounting Policy 1(f). The school properties have an insurance value of £41.2m.

THE LONDON ORATORY CHARITY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

8. FIXED ASSET INVESTMENTS	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Market value at 1 January 2017	11,650,836	10,940,857	11,650,838	10,940,859
Less: Disposals	(3,979,902)	(3,948,469)	(3,979,902)	(3,948,469)
Add: Acquisitions at cost	4,414,862	3,507,345	4,414,862	3,507,345
Net gains on revaluation	720,436	1,191,180	720,436	1,191,180
Realised gains/(losses)	184,137	(40,077)	184,137	(40,077)
Market value at 31 December 2017	12,990,369	11,650,836	12,990,371	11,650,838
Cash held for investment	767,018	1,070,420	767,018	1,070,420
	<u>£13,757,387</u>	<u>£12,721,256</u>	<u>£13,757,389</u>	<u>£12,721,258</u>
Historical cost at 31 December 2017	<u>£11,861,263</u>	<u>£10,957,827</u>	<u>£11,861,265</u>	<u>£10,957,829</u>
Listed Investments:				
Fixed interest	1,615,731	1,657,623	1,615,731	1,637,623
Equities and bonds	11,374,638	7,353,755	11,374,638	7,353,755
	<u>12,990,369</u>	<u>11,650,836</u>	<u>12,990,369</u>	<u>11,650,836</u>
Unquoted Investment:				
Blemell House Ltd	-	-	2	2
	<u>12,990,369</u>	<u>11,650,836</u>	<u>12,990,371</u>	<u>11,650,838</u>
Cash held for investment	767,018	1,070,420	767,018	1,070,420
	<u>£13,757,387</u>	<u>£12,721,256</u>	<u>£13,757,389</u>	<u>£12,721,258</u>
Holdings material to the portfolio value:				
Hernbridge (Jersey) UK Equity Fund B	645,948	588,659	645,948	588,659
J O Hambro UK Equity Inc. Inst. Inc.	526,720	541,585	526,720	541,585
Majedie UK EquityX Inc	532,739	-	532,739	-
Vanguard Large Cap ETF	-	230,181	-	230,181
Vanguard Dublin S&P	839,628	907,871	839,628	907,871
Vanguard Dublin FTSE100	917,903	1,155,162	231,368	1,155,162
DBX FTSE All share EFT 1D	351,175	717,889	351,175	717,889
0.125% IL 22/03/2024	544,974	541,585	544,974	541,585
	<u></u>	<u></u>	<u></u>	<u></u>
9. DEBTORS	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Other debtors	1,428,585	148,890	1,422,313	143,270
Amounts owed by group companies	-	-	21,417	31,247
	<u>£1,428,585</u>	<u>£148,890</u>	<u>£1,443,730</u>	<u>£174,517</u>

THE LONDON ORATORY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

10. CREDITORS: amounts falling due within one year	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Other creditors	142,841	60,023	136,082	60,023
Accruals and deferred income	27,260	75,542	23,790	66,132
Other taxes and social security	10,121	7,807	7,786	7,807
	<u>£180,222</u>	<u>£143,372</u>	<u>£167,658</u>	<u>£133,962</u>

11. RESTRICTED FUNDS – GROUP AND CHARITY

	Balance 1 January 2017 £	Income £	Expenditure £	Transfers/ Gains & (Losses) £	Balance 31 December 2017 £
St Raphael's Fund	218,242	28,913	(55,240)	9,232	201,147
Prefects Fund	21,645	411	(1,528)	1,746	22,274
Choir	2,418,690	64,044	(75,388)	239,598	2,646,944
Organ	33,583	5	(5,958)	-	27,630
Poor Fund	18,784	57,405	(65,873)	-	10,316
St Wilfrid's Statue	1,970	-	-	-	1,970
Brompton Baroque	4,536	1	-	-	4,537
Primary School Funds	221,741	6,124	(76,511)	7,744	159,098
St. Patrick's Chapel	114,913	402	(115,315)	-	-
Calvary Carving	5,443	-	-	-	5,443
Pettman Scholarship	50,499	1,250,006	(7,753)	-	1,292,752
Church Lighting Fund	72,185	135	-	-	72,320
Orchestra fund	901	7,010	(9,980)	-	(2,069)
Heating	-	540	-	-	540
Sound system	-	89,685	-	(89,685)	-
	<u>£3,183,132</u>	<u>£1,504,681</u>	<u>£(413,546)</u>	<u>£168,635</u>	<u>£4,442,902</u>

The funds are established for the following:

- St Raphael's - Maintenance and education of Oratorian novices and students.
- Prefect's - For the Brothers of The Little Oratory.
- Choir - For the support of the Oratory Choir.
- Organ - For major overhauls and maintenance of the Oratory pipe organs.
- Poor Fund - For the relief of poverty.
- St Wilfrid's Statue - Carving of a statue of St Wilfrid.
- Brompton Baroque - For Baroque recitals.
- Primary School Funds - Parental contributions etc for the Oratory Primary School.
- St Patrick's Chapel - For the cleaning and restoration of St Patrick's Chapel in the Church.
- Calvary carving - For the carving and installation of a new calvary crucifix, statues, and mural. The balance is to be used for improvements to lighting and floor repairs.
- Pettman Scholarship - Organ Scholarship in memory of June Pettman. A large legacy from the original benefactor has substantially increased this fund in 2017
- Church Lighting Fund - Towards church lighting.
- Orchestra Fund - For orchestras at Mass. The fund is negative because expected donations were receivable in 2018.
- Heating - For major renewals of the boilers and heating system.
- Sound system - For a replacement sound system in the Oratory church. This was totally funded by a single restricted donation. The new system has been capitalised and transferred to the General funds as a fixed asset.

# THE LONDON ORATORY CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 12. DESIGNATED FUNDS – GROUP AND CHARITY

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes.

	Balance 1 January 2017 £	Income £	Expenditure £	Transfers £	Balance 31 December 2017 £
Edifices	38,120	4	(22,641)	-	15,483
Halls	21,985	21,985	(20,195)	-	23,775
	<u>£60,105</u>	<u>£21,989</u>	<u>£(42,836)</u>	<u>£ -</u>	<u>£39,258</u>

The funds are established for the following:

- Edifices - For major repairs or improvements.
- Halls - For the maintenance of St Wilfrid's Hall and St Joseph's Hall.

#### 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Fund balances at 31 December 2017 are represented by:				
Tangible Fixed Assets	121,080	-	121,080	73,789
Investments	10,542,453	3,214,934	13,757,387	12,721,256
Current assets	445,695	1,233,978	1,679,673	830,051
Creditors due within 1 year	(174,212)	(6,010)	(180,222)	(143,372)
	<u>£10,935,016</u>	<u>£4,442,902</u>	<u>£15,377,918</u>	<u>£13,481,724</u>

#### 14. CONNECTED ORGANISATIONS

The London Oratory School, which became an academy on 1 August 2011 (previously a voluntary aided school) in the Borough of Hammersmith and Fulham and the Oratory Primary School, a voluntary aided school in the Royal Borough of Kensington and Chelsea, are connected.

#### 15. TRADING SUBSIDIARY

The charity has a wholly owned trading subsidiary, Blemell House Limited (Company Registered Number: 7899744). Blemell House's principal activity is to carry out trading operations to support the London Oratory Charity.



**THE LONDON ORATORY CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. TRADING SUBSIDIARY (continued)**

A summary of the trading results for the year for Blemell House Limited is shown below.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Turnover	93,432	100,601
Cost of sales	(37,827)	(32,993)
Gross profit	55,605	67,608
Administration expenses	(5,367)	(4,531)
Other income	2,135	126
<b>Profit for the year before Gift Aid payments</b>	<b>£52,373</b>	<b>£63,203</b>
<b>Balance Sheet</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current assets	33,983	40,659
Less creditors falling due within one year	(33,981)	(40,657)
	£2	£2
Represented by:		
Share capital	2	2
Profit and loss account	-	-
	£2	£2

**16. HERITAGE ASSETS**

No value is attributed to the heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. Heritage assets include plate, textiles, books, monuments and statues contained within the Oratory. The assets are integral to the Charity's objective of advancing the Roman Catholic religion. They all have very long lives and are worth preserving indefinitely. The trustees consider that it would be prejudicial to the safe custody of these assets to disclose details of their value and usage in these accounts.

The Oratory has accumulated over the last 160 years a sizeable and specialised collection of religious plate, art works, vestments and books. Very few of these are of significant individual worth. These are used to adorn the Oratory church and enrich the church's liturgies. Many of the paintings and statues are on display in the church, open for over 12 hours daily throughout the year. Different vestments and plate are used during Mass and other church services on various days throughout the liturgical year.

A register of plate and vestments is maintained. A full card index of books is maintained in the library and individual scholars and researchers are granted access to the library if appropriate.

Heritage assets are maintained and conserved as far as possible. There is no policy to dispose of these assets.

**THE LONDON ORATORY CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>17. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW USED IN OPERATING ACTIVITIES</b>	<b>2017 £</b>	<b>2016 £</b>
Net income for the year (as per the Statement of Financial Activities)	1,896,194	1,322,471
Adjustments for:		
Depreciation charges	41,524	23,879
Loss on disposal of fixed assets	870	-
(Gains) on investments	(904,573)	(1,151,103)
Dividends and interest from investments	(215,112)	(202,059)
Decrease/(increase) in stock	4	(1,989)
(Increase) in debtors	(1,279,695)	(33,344)
Increase in creditors	36,850	5,528
<b>Net cash (used in) operating activities</b>	<b>£(423,938)</b>	<b>£(36,617)</b>
<b>18. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>2017 £</b>	<b>2016 £</b>
Cash and bank and in hand	£224,300	£654,369

THE LONDON ORATORY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

19. STATEMENT OF FINANCIAL ACTIVITIES 2016

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
<b>Income from:</b>			
Donations and legacies:			
- Donations and gifts	816,772	144,988	961,760
- Legacies	350,233	10,001	360,234
Charitable activities:			
- Oratory fees	129,692	-	129,692
- Sales of Oratory magazine	5,862	-	5,862
- Other	-	-	-
Other trading activities			
- Oratory shop sales	38,695	-	38,695
Investments	142,054	60,005	202,059
<b>Total Income</b>	<b>1,483,308</b>	<b>214,994</b>	<b>1,698,302</b>
<b>Expenditure on:</b>			
Raising funds:			
Fundraising	6,932	-	6,932
Trading	32,993	-	32,993
Investment management	70,618	16,714	87,332
Charitable activities	1,125,070	274,607	1,399,677
<b>Total Expenditure</b>	<b>1,235,613</b>	<b>291,321</b>	<b>1,526,934</b>
<b>Net income/(expenditure) before gains/(losses) on investments</b>	<b>247,695</b>	<b>(76,327)</b>	<b>171,368</b>
Net gains/(losses) on investments	829,895	321,208	1,151,103
<b>Net income/(expenditure) before transfers</b>	<b>1,077,590</b>	<b>244,881</b>	<b>1,322,471</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<b>1,077,590</b>	<b>234,881</b>	<b>1,322,471</b>
<b>Reconciliation of funds:</b>			
Funds brought forward 1 January 2016	9,221,002	2,938,251	12,159,253
<b>Funds carried forward 31 December 2016</b>	<b>£10,298,592</b>	<b>£3,183,132</b>	<b>£13,481,724</b>