

**THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE
ARCHDIOCESE OF BIRMINGHAM**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 10
Independent auditor's report on the financial statements	11 - 14
Statement of financial activities	15
Balance sheet	16
Notes to the financial statements	17 - 25

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees Rev D Devenney, Chair
 Rev M Dolman
 Rev G Murray
 Rev J N Latham
 Rev P Johnson (retired 26 January 2021)

**Charity registered
number** 238681

Principal office 31 Vicarage Road
 Henley on Thames
 Oxfordshire
 RG9 1HT

Independent auditor Cooper Parry Group Limited
 Chartered Accountants
 Statutory Auditor
 One Central Boulevard
 Blythe Valley Business Park
 Solihull
 West Midlands
 B90 8BG

Bankers Allied Irish Bank (GB), Birmingham

Solicitors Ladders LLP, Stratford-upon-Avon

Investment Managers Quilters Cheviot, London

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2020 to 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Trustees of the charity

The following trustees served throughout the year:

Rev D Devenney - Chair (appointed 3 July 2016)
Rev M Dolman (re-appointed 7 October 2020)
Rev JN Latham (appointed 3 July 2017)
Rev G Murray (re-appointed 9 October 2019)
Rev P Johnson (retired 26 January 2021)

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham has an associated Trust Company known as "The Johnson Trust Corporation Limited" which holds any real property as custodian trustee of The Association (company number 8287813). The registered office is St Mary's College, Chester Road, Sutton Coldfield, West Midlands, B73 5AA.

The board of advisors to the trustees

The Board of Advisers to the Trustees are the clergy representatives elected by their Deanery to represent the Members of the Deanery and keep the trustees informed as to the physical wellbeing of the members. They are elected, also, to advise the trustees in matters relating to the Association, advice which the trustees must listen to. The following representatives served during the year:

Rev M Dolman	Rev K Hooper	Rev The Quang Nuygen
Rev C Draycott	Rev G Kelly	Rev P Wheildon
Rev A Foster	Rev D Lacy	Rev B Wilton
Rev M Glaze	Rev T Norton	

The affairs of the Association are administered by:

Rev Paul Fitzpatrick, Sacred Heart Catholic Church, 31 Vicarage Road, Henley on Thames, Oxfordshire, RG9 1HT (appointed July 2014). Tel: 01491 573 258.

The Secretary is:

Rev John Gilbert, 17 Birch Green Grove, Sneyd Green, Stoke on Trent, ST1 6RD.

Structure, governance and management

a. Constitution

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham ("The Johnson Association") is registered with the Charity Commission, Registration No. 238681.

The Association is governed by the rules adopted as its constitution on 29 November 2000 and amended on 14 July 2010, 13 July 2011, 11 July 2012 and 11 July 2013.

The Body of Trustees consists of five persons elected by the Members at the Annual General Meeting. Each

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Structure, governance and management (continued)

year one fifth of the trustees will retire. The Trustees to retire will be those who have been longest in office since he or they were last elected. New trustees may be nominated by any member, the board of advisors, or the Trustees, and will be elected by the members at the AGM. However, no person shall be eligible for election onto the Body of Trustees if at the date of the Annual General Meeting from which if elected he will hold office, or the date of the Trustees' Meeting at which he is co-opted, he will have served 10 consecutive years as a Trustee.

All trustees give of their time freely and no trustee remuneration or expenses was paid in the year. Details of honoraria paid to the Administrator and Secretary are disclosed in note 6 to the accounts. Trustees are required to disclose all relevant interests or activity with another charitable trust.

The Chair of the Trustees is appointed by the Trustees from among the Trustees immediately following the Annual General Meeting and is a trustee ex officio. The Chair of Trustees holds office for three years, after which the Chair of Trustees may be appointed for a second term of office but after the expiry of such second term will not be eligible for appointment as the Chair.

At the quarterly Trustees' Meetings, the Trustees have agreed that areas of Governance and activity should be organised in a systematic manner. At each of the quarterly meetings the Trustees give due consideration to the application for discretionary grants. The day to day administration of grants and the processing and handling of applications prior to consideration by the Trustees is delegated to the Administrator.

Directly following the AGM, the Trustees elect a Chair if this is required and any business presented by the Secretary and Administrator is dealt with. At the following Trustees' meeting in the autumn, there is a further meeting which is focused upon Trustee training. This serves as training for the newly appointed trustees and an annual update for all of the Trustees and their delegates.

The Autumn Trustees' Meeting usually also has an induction training session for new Trustees, which also serves as an annual update for all Trustees. This year, due to the AGM meeting taking place in the Autumn, and with the re-appointment of Fr Gerard Murray, (there being no induction of new Trustees) the training session was postponed until January.

At the training session in January the Trustees reviewed the Constitution to ensure that they were familiar with its principles and content. In particular the trustees received training in the following areas:

- Welcome pack for Trustees
- Being a Trustee
- Charity Governance Code
- Short guides introduced by the Charity Commission.
 - Conflict of Interest
 - Good decision making
 - Achieving the charities' purposes
 - Public benefit
 - What to send to the Charity Commission and getting help
 - Merging the Charities finances
- Coronavirus Guides
 - Managing Financial difficulties in your charity caused by the Coronavirus
 - Guidance the charity sector
 - AGM/Holding meetings online/using resources and restricted funds
 - Reporting serious incidents to the charity commission during the Coronavirus pandemic – e.g., reduction of income
 - Coronavirus: increased risk of fraud and cybercrime against charities

Our Trustee training highlighted that greater diversity would be valuable for our organisation. The Trustees agreed to address this issue, by reviewing the appointment of the next Trustee, from this standpoint.

At the first quarterly meeting of the next calendar year, the Trustees undertake an annual financial review and

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

update their financial policy, and risk management. The Trustees, together with the Association's Investment Managers – Quilter Cheviot - ensure that the level of financial risk is effectively managed to enable the trustees to forecast and provide the funds available to support those Secular Clergy to whom it offers a discretionary grant, while ensuring that the long-term investment policy is upheld.

At our January Trustees Meeting the Trustees discussed **Responsible Investment** - Defined as:

'A strategy and Practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership'.

ESG = Environmental, Social and Governance has further sub-headings in each category.

Quilter Cheviot and other Investment Companies are now required to discuss Responsible Investment with their clients and to log and document this discussion.

Quilter Cheviot works in dialogue with those companies in which it invests, which in turn (it is hoped) leads to positive change.

Quilter Cheviot has an engagement policy = 'We vote and engage with companies.'

The Trustees **agreed** that **Responsible and Sustainable Investment** should be a part of the broader Financial Policy which would be discussed at the first meeting of each year.

Subsequently the following statement was agreed which will form the basis of a draft 'policy for investment':

In principle the Board wish to be responsible investors. Environmental, social and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors, such as the charity, consider when reviewing their investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights. Therefore, the investment managers are encouraged to take account of ESG issues in their investment analysis and decision-making processes and engage with company management when appropriate.

Despite the Covid-19 restrictions, the Trustees have managed to continue to review the Constitution at their next meeting which was conducted by Zoom. The Trustees will return to the members at the AGM with further proposals for revisions to the constitution.

The Annual General Meeting takes place in July. Each of the members are invited to attend. The AGM accepts the resignation of one fifth of the Trustee body and elects a new trustee. The AGM discusses those matters proposed by the Trustees, or Board of Advisors, as well as any matter proposed by a member. The Trustees' Report and Financial Statement are agreed, and any other business as required, e.g. the appointment of Auditors and Accountants.

The Johnson Association acts independently of any other charity.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

b. Risk management

The Trustees of the Johnson Association review and update their Risk Register every six months and having reviewed those risks they have established systems and procedures to manage those risks. Usually this is an exercise in planning for the worst case scenario.

This year, we have had to take these plans and put them into action as a response to Covid-19 (see below). The Risk Register proved to be robust, and has served us well, in these unprecedented times.

The Trustees consider the variability of investment returns upon their investment portfolio as a significant financial risk. They are also aware that in common with society as a whole, the Secular Clergy are as a whole older than they were and living longer. Therefore, it is probable that the financial demands upon the charity will increase at the same time that volatility in world markets seems higher.

Following a completion of a survey of the Secular Clergy based on their current age, (which has enabled them to produce a detailed forecast of the numbers of Secular Clergy who will retire each year for the next twenty-five years), the Trustees are equipped to make decisions on a long term basis, as well as continuing to provision for the additional numbers of Secular Clergy retiring, and future demands upon the Charity.

With the increasing uncertainty in the financial markets, the Trustees in consultation with their Investment Managers, undertook a thorough financial review and agreed the level of financial risk they were willing to accept.

Objectives and activities

a. Policies and objectives

The Johnson Association's objective is the support of the Secular Clergy of the Archdiocese, who, on account of age or infirmity, are no longer able to continue their parochial work and to support priests who are suffering temporary illness.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Association's objectives and in planning future activities and considering the grant making policy.

Activity

The Johnson Association achieves its objective by:

- providing discretionary grants to priests who, through old age or infirmity are no longer able to work.
- In addition to its objective of helping to maintain the aged and infirm priests, the Association also provides discretionary grants in aid of priests who are on the active list, but who are incapacitated by serious illness for a period longer than a month.
- All the Secular Clergy who have been supported by the Johnson Association are declared in aggregate in the accounts see note 6.

Grant Making Policy

It is through the provision of discretionary grants that the Johnson Association seeks to fulfil its objective to support the Secular Clergy of the Archdiocese, who, on account of age or infirmity, are no longer able to continue their parochial work and to support priests who are suffering temporary illness.

The review and governance of the grant making policy is an important priority for the Trustees. Following confirmation from the Archdiocese that a Priest has retired, the retired priest may apply for a discretionary grant.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

It is expected that the applicant's financial arrangements are disclosed in full, and that any major financial matters are detailed, e.g. the lack of a full pension; financial demands as a result of full-time nursing care; savings and investments; private income. The Trustees also ensure that the applicant has upheld the requirements and obligations of the Association.

The application is scrutinised by the Trustees and a judgement is made – if a grant is to be awarded - or not, or only in part - depending upon the individual's circumstances. The Trustees do not have a single figure for every case, but rather prioritise their attention and support on those whose need is greatest, within an agreed range.

The Trustees review each grant offered to the recipients to review if their circumstances have changed.

b. Main activities undertaken to further the Charity's purposes for the public benefit

When planning the grant making activity of the Association the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the relief of poverty and they have also had regard to the specific guidance on charities for the advancement of religion.

The Association makes grants principally to retired clergy. Such financial assistance is needed to assist retired clergy towards maintaining their standard of living during retirement. The making of grants depends on the circumstances of the recipient.

The clergy are valued members of society: building and strengthening communities, supporting the dying and bereaved, ministering to the sick at home and in hospital, caring for the poor and marginalised, visiting those in prison and providing spiritual and moral education for children.

The trustees do not receive any private benefits and do not participate in discussions where a conflict of interest occurs and withdraw from any part of any meeting where this is discussed.

The aggregate grants awarded are declared in the accounts in note 6.

Monitoring achievements and performance

a. Review of activities

The Trustees monitor their achievement and performance in their ability to care and support growing numbers of Secular Clergy who rely on the Association's provision today and in the future - in accordance with their objective - while keeping an appropriate balance between current funding and financial provision for future generations.

Key performance indicators are summarised in the table below:

Number of Secular Clergy Supported

2016	2017	2018	2019	2020	2021
51	54	62	66	58	64

We note that the number of Secular Clergy that we support has been growing each year, as in common with the population, the number of those retired grows.

However, one will note the change in the figures for 2020. This is a direct response to Covid-19. These figures do not reveal the full number of deaths, as the number of those retiring continues to rise.

In order to support our objective, the Trustees have sought to carefully examine the financial performance of the Association, in accordance with the agreed financial policy and risk management. Given the level of uncertainty

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Monitoring achievements and performance (continued)

in the financial investments, the trustees have sought to maximise the potential income from the Annual November Collection and to have a closer relationship with its benefactors. (See Covid-19 for more information).

b. Investment policy and performance

To sustain a level of income sufficient to meet demands on its resources, the Association requires a significant capital base and the trustees have maintained an active investment policy to provide a degree of stability and certainty in income levels. The aim is to maintain and, if possible, increase the real value of the monies invested. In doing this sufficient income should be generated to provide a significant proportion of the annual amount needed to meet the objectives of the Association.

Investments held by the Association, which are shown at note 9 of the accounts, were acquired in accordance with the powers available to the trustees and the Trustee Act 2000.

The Charity's investment managers, Quilter Cheviot, are instructed to generate a balance between capital growth and income, provided that the gross income each year exceeds a minimum of £175,000. Investment income for the year totalled £315,336 (2020: £379,675) as shown in note 4.

During the year there was an overall increase of 23.7% in the investment portfolio (2020: decrease of 9.9%).

The yield on investments for the year was 1.82% (2020: 2.72%) which was in line with expectations given the general market performance.

Financial review

a. Financial Performance

The charity generated total income of £431,199 and incurred total expenditure of £440,103 resulting in a deficit during the year before investment gains of £8,904. Total unrestricted funds as at 31 March 2021 were £17,802,796 of which £950,909 were represented by free reserves.

The results for the year are disclosed in the attached Statement of Financial Activities and the Notes to the accounts. The financial turmoil as a result of Covid-19 and Brexit, may well have a significant influence upon our financial activities.

b. Going concern

The financial statements have been prepared on a going concern basis under the historical cost basis of accounting rules modified to account for investments at fair value. Each year the Trustees review the value of the investment portfolio in conjunction with the investment managers and the availability of cash in the short term to ensure the Charity is a going concern. At the time of signing these financial statements, the Trustees have considered the effect of the COVID-19 pandemic on the going concern position and consider that the Charity will be able to continue to operate for a period of at least 12 months from the date of signing these financial statements. The Charity has a strong cash position of £880,095 and net assets of £17.8m and on that basis, the Trustees have prepared these financial statements on a going concern basis.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

c. Reserves policy

General unrestricted funds

It is the policy of the trustees, having regard to the specific designated fund referred to below, to maintain the general unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately eighteen to twenty-four months' grant payments, taking into consideration likely changes in the number or recipients and the level of grant paid. Free reserves of £950,909 at 31 March 2021 (2020: £919,360) represented over 24 months' grant payments; this is partly due to the receipt of substantial legacies in 2014 and 2015. Legacies will be allocated to investment funds in order to provide income in future years in accordance with the charity's objectives. The trustees continue to monitor the level of free reserves and believe that, based upon the current value of the investment portfolio, the Association will be able to fulfil its objectives in the short to medium term.

Investment fund

The majority of the Association's income is derived from donations, legacies and investment income. These sources of income are by their nature subject to fluctuations. To sustain a level of income sufficient to meet the anticipated demands on its resources, the trustees have maintained an active investment policy to provide a degree of stability and certain levels. In the circumstances the trustees have deemed it appropriate to create a designated Investment Fund that represents the government stocks and other listed investments held in the charity's investment portfolio, together with the property held by the Association.

d. Covid-19

The Coronavirus Pandemic has had a profound affect upon every area of society throughout the United Kingdom and the rest of the world. The Johnson Association is no exception to this, and we would like to describe how the pandemic has challenged the charity in many different ways and how we have responded to this challenge

Our Members

The majority of our members are in a vulnerable age group (65yrs+) and all of those who receive a grant from the Association are 70yrs+ or have underlying illnesses. We exist to support and serve our members who have felt threatened and anxious throughout the last six months. Several of our members live in nursing homes which have endured Covid-19 outbreaks. Sadly, we have to report that several of our members have died as a direct result of Covid-19. This is the first and foremost result of the pandemic, which is much more significant than the financial implications or the organisational disruption caused by the pandemic.

Financial Implications

The global financial shockwave caused by pandemic has touched every area of financial life and the economy.

Our financial investments (which represent the majority of our assets) were profoundly shaken by the downturn in the global financial markets but had recovered at the year end. We monitor and review our exposure to financial risk carefully, by discussing investment financial risk at the first meeting of each calendar year with our investment managers, Quilter Cheviot.

We also discuss our response and put measures in place as part of our regularly updated risk register. Although, the downturn in the market had a significant affect on the charity, we are confident that the precautions we have put in place will limit any operational damage and will enable us to continue to budget from a long-term perspective.

The primary financial impact upon the charity was that our dividend income was not sufficient to cover our grant expenditure. However, while the dividend income is the majority of our income, there are other sources of income from donations and legacies which enabled us to cover the majority of our expenditure together with utilising some of our reserves.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

We have mitigated this risk to our financial portfolio, as part of our risk register, by ensuring that we have two years' reserves at hand, which will ensure that we will not have to draw upon the portfolio for capital. We believe we are in a strong position to be able to serve our members, by meeting our financial commitments.

e. Plans for the future

It can be difficult to plan for the future, in the midst of the pandemic. However, while it is difficult to have specific timing, our objectives remain unchanged. We will continue to support our members and offer financial assistance through our grants. The income from the annual November Collection has been significantly reduced. Support for the collection will be encouraged at our AGM, and throughout 2022.

We intend to continue our plans for a series of regional meetings, but these may take place in late 2022 or early 2023. We would hope that our enhanced AGM, which would include a celebration of retirement will take place in July 2022, but as this celebration will be focused upon the most vulnerable age group, we will have to act with due caution.

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 of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP 2019 (FRS 102);
- 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 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 enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Auditor

The auditor, Cooper Parry Group Limited, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 5 July 2021 and signed on their behalf by:



Rev D Devenney
Trustee

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

Opinion

We have audited the financial statements of The Johnson or Secular Clergy Association of the Archdiocese of Birmingham (the 'charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources 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 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 charity 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which 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 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 charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOHNSON OR SECULAR CLERGY
ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Charity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charity and how the Charity is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charity's control environment and how the Charity has applied relevant control procedures, through discussions with Trustees and management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charity's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of activities and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM (CONTINUED)

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

5 July 2021

Cooper Parry Group Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	3	115,863	115,863	122,383
Investments	4	315,336	315,336	379,675
		<hr/>	<hr/>	<hr/>
Total income		431,199	431,199	502,058
Expenditure on:				
Raising funds	5	40,453	40,453	42,360
Charitable activities	6	399,650	399,650	450,683
		<hr/>	<hr/>	<hr/>
Total expenditure		440,103	440,103	493,043
Net (expenditure)/income before net gains/(losses) on investments		<hr/>	<hr/>	<hr/>
		(8,904)	(8,904)	9,015
Net gains/(losses) on investments	9	3,275,445	3,275,445	(1,463,005)
		<hr/>	<hr/>	<hr/>
Net movement in funds		3,266,541	3,266,541	(1,453,990)
Reconciliation of funds:				
Total funds brought forward		14,536,255	14,536,255	15,990,245
Net movement in funds		3,266,541	3,266,541	(1,453,990)
		<hr/>	<hr/>	<hr/>
Total funds carried forward	12	17,802,796	17,802,796	14,536,255

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 25 form part of these financial statements.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	9	16,851,887	13,616,895
		<u>16,851,887</u>	<u>13,616,895</u>
Current assets			
Debtors	10	88,878	172,464
Cash at bank and in hand		880,095	767,960
		<u>968,973</u>	<u>940,424</u>
Creditors: amounts falling due within one year	11	(18,064)	(21,064)
		<u>950,909</u>	<u>919,360</u>
Net current assets		<u>950,909</u>	<u>919,360</u>
Total net assets		<u><u>17,802,796</u></u>	<u><u>14,536,255</u></u>
Charity funds			
Unrestricted funds	12	17,802,796	14,536,255
Total funds		<u><u>17,802,796</u></u>	<u><u>14,536,255</u></u>

The financial statements were approved and authorised for issue by the Trustees on 05 July 2021 and signed on their behalf by:

Rev D Devenney
Trustee

The notes on pages 17 to 25 form part of these financial statements.

Desmond Devenney

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham 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.

1.2 Going concern

The financial statements have been prepared on a going concern basis under the historical cost basis of accounting rules modified to account for investments at fair value. Each year the Trustees review the value of the investment portfolio in conjunction with the investment managers and the availability of cash in the short term to ensure the Charity is a going concern. At the time of signing these financial statements, the Trustees have considered the effect of the COVID-19 pandemic on the going concern position and consider that the Charity will be able to continue to operate for a period of at least 12 months from the date of signing these financial statements. The Charity has a strong cash position of £880,095 and net assets of £17.8m and on that basis, the Trustees have prepared these financial statements on a going concern basis.

1.3 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.3 Income (continued)

charity's right to receive payment is established.

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

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds
- Expenditure on charitable activities

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Costs of raising funds comprise fees paid to the charity's investment managers.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.5 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. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment market due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.5 Investments (continued)

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.

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

1.6 Debtors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure

1.7 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..

1.8 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 Charity 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 in the Statement of financial activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.9 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.10 Tax

The charity is a charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Information regarding employees and trustees

The Association has no employees.

During the year Rev P Fitzpatrick and Rev J Gilbert received an Honorarium of £2,500 (2020:£2,000) and £2,500 (2020: £1,000) respectively. No trustee or person related or connected by business to them has received any remuneration from the Association during the year.

The Association is grateful for the valuable support of volunteer workers engaged in various fundraising activities.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Appeals - November collection	14,082	14,082	55,843
Parish levy	53,200	53,200	53,600
Donations	15,673	15,673	9,374
Legacies	32,908	32,908	3,566
Total 2021	<u>115,863</u>	<u>115,863</u>	<u>122,383</u>
Total 2020	<u>122,383</u>	<u>122,383</u>	

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from listed investments	314,927	314,927	378,285
Bank interest	409	409	1,390
	<u>315,336</u>	<u>315,336</u>	<u>379,675</u>
Total 2020	<u>379,675</u>	<u>379,675</u>	

5. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	<u>40,453</u>	<u>40,453</u>	<u>42,360</u>
Total 2020	<u>42,360</u>	<u>42,360</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Analysis of charitable expenditure

	Grant making 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Grants paid	379,291	20,359	399,650	450,683
Total 2020	433,174	17,509	450,683	

Analysis of support costs

	Grant making 2021 £	Total funds 2021 £	Total funds 2020 £
Legal and professional	6,453	6,453	4,932
Bank charges	1,368	1,368	438
Trustee meeting costs	248	248	1,289
Audit	7,290	7,290	7,850
Honarariums	5,000	5,000	3,000
	20,359	20,359	17,509
Total 2020	17,509	17,509	

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	7,290	7,850

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	13,616,895
Additions	1,039,820
Disposals	(944,416)
Revaluations	3,275,445
Movement in cash	(135,857)
At 31 March 2021	<u>16,851,887</u>

All the fixed asset investments are held in the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The historical cost of investments at 31 March 2021 was £10,285,902 (2020: £10,204,959).

10. Debtors

	2021 £	2020 £
Due within one year		
Prepayments and accrued income	88,878	172,464
	<u>88,878</u>	<u>172,464</u>

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	18,064	21,064
	<u>18,064</u>	<u>21,064</u>

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Investment Fund	13,616,895	-	-	(40,453)	3,275,445	16,851,887
General funds						
General Funds	919,360	431,199	(440,103)	40,453	-	950,909
Total Unrestricted funds	<u>14,536,255</u>	<u>431,199</u>	<u>(440,103)</u>	<u>-</u>	<u>3,275,445</u>	<u>17,802,796</u>

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
Designated funds						
Investment fund	15,121,191	-	-	(41,291)	(1,463,005)	13,616,895
General funds						
General Funds	869,054	502,058	(493,043)	41,291	-	919,360
Total Unrestricted funds	<u>15,990,245</u>	<u>-</u>	<u>(493,043)</u>	<u>-</u>	<u>(1,463,005)</u>	<u>14,536,255</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	16,851,887	16,851,887
Current assets	968,973	968,973
Creditors due within one year	(18,064)	(18,064)
Total	<u>17,802,796</u>	<u>17,802,796</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	13,616,895	13,616,895
Current assets	940,424	940,424
Creditors due within one year	(21,064)	(21,064)
Total	<u>14,536,255</u>	<u>14,536,255</u>

14. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2021.