

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

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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 2023

Trustees	Rev G Murray, Chair Rev M Dolman Rev D Hartley Mrs P Deeley Rev P Madden (appointed 4 July 2022) Rev D Doran (appointed 4 July 2022) Rev J N Latham (resigned 4 July 2022)
Charity registered number	238681
Principal office	31 Vicarage Road Henley on Thames Oxfordshire RG9 1HT
Independent auditors	Cooper Parry Group Limited Statutory Auditor Office 401, 4th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	The Co-operative Bank, Manchester Allied Irish Bank (GB), Birmingham
Solicitors	Lodders 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 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2022 to 31 March 2023.

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.

Reference and administration information

The following trustees served throughout the year:

Rev G Murray - Chair
Rev M Dolman
Rev JN Latham (resigned 4 July 2022)
Rev D Hartley
Mrs P Deeley
Rev Peter Madden (appointed 4 July 2022)
Rev David Doran (appointed 4 July 2022)

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 31 Vicarage Road, Henley-On-Thames, Oxfordshire, RG9 1HT.

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 K Hooper	Rev B Devanney
Rev C Draycott	Rev J Green
Rev A Foster	Rev S Pimlott
Rev M Glaze	Rev T Norton

The affairs of the Association are administered by:

Canon Paul Fitzpatrick, Sacred Heart Catholic Church, 31 Vicarage Road, Henley on Thames, Oxfordshire, RG9 1HT (appointed July 2014 – reappointed July 2017, - reappointed July 2020). Tel: 01491 573 258.

The Secretary is:

Canon John Gilbert, 17 Birch Green Grove, Sneyd Green, Stoke on Trent, ST3 2JU.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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, 13th July 2011, 11th July 2012, 11th July 2013, 2nd July 2018, 7th October 2020, 5th July 2021 and 4th July 2022.

The Body of Trustees consists of five persons elected by the Members at the Annual General Meeting. Each 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 7 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 Trustees' meetings during the year, there is a focus on 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. This year, the training sessions were held in May 2022 and January 2023 and attended by all trustees.

Previous Trustee training highlighted that greater diversity would be valuable for our organisation. The Trustees addressed this issue, last year, and made their appointments from this standpoint.

The Rev'd D Hartley is the first married priest to be a Trustee of the Johnson Association. Mrs P Deeley is the first Trustee, in the 170-year history of the Johnson Association, who is not a priest.

This year 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:

- Fundraising and the Fundraising Regulator/ Fundraising Code
- "The Board" - and the changes proposed in relation to the operation of this.
- Charity Governance Code
- General training and especially the Short Guides referred to in the Welcome Pack issued by the Charity Commission - with a focus on conflicts of interest, decision taking and the objects of the charity
- The changes to the Charities Act 2022 which is being phased in at present

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

Finally as referred to below, there was a focus on the grant-making policy and procedure to ensure that it is up to date. See further below.

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

During the year, the Trustees undertook a review of the procedures of the Board of Advisors to the Trustees, especially within their experience of the Covid-19 pandemic and how this relates to the Constitution. This review revealed a number of ways in which the union between the Board of Advisors and the Trustees may be more dynamic and helpful for both parties and enhance the union between the Trustees and the members of the Association. The Trustees presented to the members at the AGM (4 July 2022) further proposals for such revisions to the constitution. These proposals were accepted unanimously. As a result, a new board of advisors has been formed, which reflects the change in the number of deaneries which are represented. The board of advisors meets with the Administrator and Secretary and conducts its own business, which it bring to the attention of the members and trustees at the AGM.

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 2023

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.

Reviewing the Risk Register in the light of the pandemic, 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. The trustees agreed to keep the current risk status as 'Medium'.

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 7.

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. It is expected that the applicant's financial arrangements are disclosed in full, and that any major financial

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

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 7.

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	2022	2023
51	54	62	66	58	65	56	57

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 2020/21. 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 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Monitoring achievements and performance (continued)

b. Fundraising activities and income generation

The Association raises funds through an annual second collection in the Churches of the Archdiocese of Birmingham for the fund. Donations are also made through the Association's website. There were no complaints received by the Association about activities by the Association or by a person on behalf of the Association for the purpose of fundraising. The Association has taken measures to protect vulnerable people and other members of the public from the following behaviours in the course of or in connection with fundraising activities:

- i. unreasonable intrusion on a person's privacy
- ii. unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity.
- iii. placing undue pressure on a person to give money or other property.

c. 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 notes 10 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 £341,759 (2022: £345,447) as shown in note 5; the consistent level of income this year continues to reflect the current economic climate and also the need to maintain a balance between income generation and capital growth.

During the year there was an overall decrease of 4.9% in the investment portfolio (2022: increase of 6.8%).

The yield on investments for the year was 1.98% (2022: 1.91%) which was in line with expectations given the general market performance.

Financial review

a. Financial Performance

The charity generated total income of £477,126 and incurred total expenditure of £462,232 resulting in a surplus during the year before investment gains of £14,894. Total unrestricted funds as at 31 March 2023 were £18,283,889 of which £1,166,915 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 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 £980,694 and net assets of £18.3m and on that basis, the Trustees have prepared these financial statements on a going concern basis.

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 £1,166,915 at 31 March 2023 (2022: £1,245,600) 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 and legacies, which by their nature are 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. The Charity regularly reinvests any surplus it receives (usually from bequests) into its portfolio, to ensure that its investments are secure and growing, and its dividends increase, should there be a problem with its banking arrangements.

d. Banking Arrangements

This year there have been significant challenges with our banking arrangements, due to the decision by AiB GB, to withdraw from the UK market. Following a healthy forty-year relationship with our bank, it came as a considerable shock to the Trustees to learn that AiB GB was unilaterally withdrawing from the UK market, and that we should have to find another bank.

We did not realise at first what a challenge this would be. None of the 'big 4' and the high street banks, except Grant Making Charities. In most cases, we were not allowed to apply for a Bank Account when we made our enquiries. We were grateful to NatWest, who encouraged us to apply, and rejected our application, twice! The process to apply for an account was lengthy, and resulted in rejection, which led AiB GB to place pressure on Trustees to move onwards. We are grateful for their patience. Finally, we applied for an account with The Co-Operative Bank, who accepted our application, and we were able to switch our account in April 2023. All of this year's activity (2022-2023) took place under the shadow of these pressures. However, we were able to ensure that all of our obligations to our members, were undertaken in full.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

e. Plans for the future

Having reflected carefully upon our banking experience and the lessons we can learn from this experience; we have decided to change our charity status to CIO. This is a significant change in our legal status but would be easier to encourage new Trustees to join the charity, and would be welcomed by institutions, such as a Bank. This change will take place during 2023/24.

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 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 auditors

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

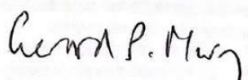
- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors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

Auditors

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

Approved by order of the members of the board of Trustees on 3 July 2023 and signed on their behalf by:

Rev G Murray
Trustee



THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

INDEPENDENT AUDITORS' 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 2023 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects 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 Auditors' 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 AUDITORS' 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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for 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 AUDITORS' REPORT TO THE TRUSTEES OF THE JOHNSON OR SECULAR CLERGY
ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM (CONTINUED)

Auditors' 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 Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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.

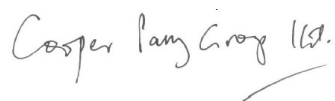
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

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

Use of our report

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

Statutory Auditor

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date: 3 July 2023

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	4	135,367	135,367	334,370
Investments	5	341,759	341,759	345,447
Total income		<u>477,126</u>	<u>477,126</u>	<u>679,817</u>
Expenditure on:				
Raising funds	6	45,507	45,507	47,225
Charitable activities		416,725	416,725	383,255
Total expenditure		<u>462,232</u>	<u>462,232</u>	<u>430,480</u>
Net income before net (losses)/gains on investments		14,894	14,894	249,337
Net (losses)/gains on investments		(978,293)	(978,293)	1,195,155
Net movement in funds		<u>(963,399)</u>	<u>(963,399)</u>	<u>1,444,492</u>
Reconciliation of funds:				
Total funds brought forward		19,247,288	19,247,288	17,802,796
Net movement in funds		(963,399)	(963,399)	1,444,492
Total funds carried forward		<u><u>18,283,889</u></u>	<u><u>18,283,889</u></u>	<u><u>19,247,288</u></u>

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

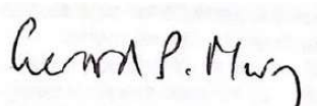
The notes on pages 16 to 24 form part of these financial statements.

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

**BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
Fixed assets			
Investments	10	17,116,974	18,001,688
		<u>17,116,974</u>	<u>18,001,688</u>
Current assets			
Debtors	11	214,165	167,681
Cash at bank and in hand		980,694	1,101,217
		<u>1,194,859</u>	<u>1,268,898</u>
Creditors: amounts falling due within one year	12	(27,944)	(23,298)
		<u>1,166,915</u>	<u>1,245,600</u>
Net current assets			
		<u>18,283,889</u>	<u>19,247,288</u>
Total assets less current liabilities			
		<u>18,283,889</u>	<u>19,247,288</u>
Total net assets		<u>18,283,889</u>	<u>19,247,288</u>
Charity funds			
Unrestricted funds	13	18,283,889	19,247,288
Total funds		<u>18,283,889</u>	<u>19,247,288</u>

The financial statements were approved and authorised for issue by the Trustees on 03 July 2023 and signed on their behalf by:



Rev G Murray
Chair of Trustees

The notes on pages 16 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham ("The Johnson Association") is registered with the Charity Commission, Registration No. 238681. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are to support of the secular clergy of the archdiocese, who, on account of age or infirmity are no longer able to work, and to assist priests with temporary illness, or who have to undergo operations, by providing financial assistance.

2. Accounting policies

2.1 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 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.

2.2 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 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 £980,694 and net assets of £18,283,889 and on that basis, the Trustees have prepared these financial statements on a going concern basis.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Income (continued)

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. 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 income is recognised as the 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.

2.4 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 Support 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.

2.5 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 charity 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.5 Investments (continued)

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.

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.

2.6 Debtors and Creditors

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.

2.7 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.

2.8 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.

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.10 Fund accounting (continued)

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.

2.11 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.

3. Information regarding employees and trustees

The Association has no employees.

During the year Rev P Fitzpatrick received an Honorarium of £4,250 (2022: £3,500) and Rev J Gilbert £5,250 (2022: £nil). 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.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Appeals - November collection	41,259	41,259	28,229
Parish levy	49,600	49,600	50,800
Donations	14,597	14,597	10,936
Legacies	29,911	29,911	244,405
Total 2023	<u>135,367</u>	<u>135,367</u>	<u>334,370</u>
Total 2022	<u>334,370</u>	<u>334,370</u>	

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from listed investments	338,247	338,247	345,376
Bank interest	3,512	3,512	71
	<u>341,759</u>	<u>341,759</u>	<u>345,447</u>
Total 2022	<u>345,447</u>	<u>345,447</u>	

6. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	<u>45,507</u>	<u>45,507</u>	<u>47,225</u>
Total 2022	<u>47,225</u>	<u>47,225</u>	

7. Analysis of charitable expenditure

	Grant making 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Grants paid	<u>384,443</u>	<u>32,282</u>	<u>416,725</u>	<u>383,255</u>
Total 2022	<u>363,417</u>	<u>19,838</u>	<u>383,255</u>	

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Analysis of charitable expenditure (continued)

Analysis of support costs

	Grant making 2023 £	Total funds 2023 £	Total funds 2022 £
Legal and professional	4,570	4,570	5,570
Bank charges	1,987	1,987	1,333
Trustee meeting costs	1,225	1,225	135
Audit	15,000	15,000	9,300
Honarariums	9,500	9,500	3,500
	<u>32,282</u>	<u>32,282</u>	<u>19,838</u>
Total 2022	<u>19,838</u>	<u>19,838</u>	

8. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>15,000</u>	<u>9,300</u>

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year, no Trustee expenses have been incurred (2022 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	18,001,688
Additions	2,023,980
Disposals	(1,928,480)
Revaluations	(978,293)
Movement in cash	(1,921)
At 31 March 2023	<u>17,116,974</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 2023 was £11,241,869 (2022: £10,473,833).

11. Debtors

	2023 £	2022 £
Due within one year		
Prepayments and accrued income	214,165	167,681
	<u>214,165</u>	<u>167,681</u>

12. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	27,944	23,298
	<u>27,944</u>	<u>23,298</u>

THE JOHNSON OR SECULAR CLERGY ASSOCIATION OF THE ARCHDIOCESE OF BIRMINGHAM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Investment Fund	18,001,688	-	-	93,579	(978,293)	17,116,974
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
General funds						
General Funds	1,245,600	477,126	(462,232)	(93,579)	-	1,166,915
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	<u>19,247,288</u>	<u>477,126</u>	<u>(462,232)</u>	<u>-</u>	<u>(978,293)</u>	<u>18,283,889</u>

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Investment Fund	16,851,887	-	-	(45,354)	1,195,155	18,001,688
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
General funds						
General Funds	950,909	679,817	(430,480)	45,354	-	1,245,600
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	<u>17,802,796</u>	<u>679,817</u>	<u>(430,480)</u>	<u>-</u>	<u>1,195,155</u>	<u>19,247,288</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Statement of funds (continued)

The investment fund represents the government stocks and other listed investments held in the charity's investment portfolio. The charity regularly reinvests any surplus it receives into its portfolio to ensure that its investments are secure and growing and its dividends increase.

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Fixed asset investments	17,116,974	17,116,974
Current assets	1,194,859	1,194,859
Creditors due within one year	(27,944)	(27,944)
Total	<u><u>18,283,889</u></u>	<u><u>18,283,889</u></u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	18,001,688	18,001,688
Current assets	1,268,898	1,268,898
Creditors due within one year	(23,298)	(23,298)
Total	<u><u>19,247,288</u></u>	<u><u>19,247,288</u></u>

15. 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 2023.