

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

**Report of the Trustees and Financial Statements**

**for the Year Ended**

**31st March 2024**

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

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for the Year Ended 31st March 2024**

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# **The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

## **Report of the Trustees for the Year Ended 31st March 2024**

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 31st March 2024.

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 (effective 1<sup>st</sup> January 2019).

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

<b>Name:</b>	The Johnson or Secular Clergy Association of the Archdiocese of Birmingham
<b>Registered Charity Number:</b>	238681
<b>Principal Office:</b>	17 Birch Green Grove Stoke-on-Trent Staffordshire ST1 6RD
<b>Trustees</b>	Rev G Murray - Chair Rev J Batthula - appointed 3 <sup>rd</sup> July 2023 Mrs P Deeley Rev M Dolman - resigned 3 <sup>rd</sup> July 2023 Rev D Doran - resigned 3 <sup>rd</sup> July 2023 Rev D Hartley Rev P Madden
<b>Administrator:</b>	Canon P Fitzpatrick - resigned 3 <sup>rd</sup> July 2023 Rev D Doran - appointed 3 <sup>rd</sup> July 2023
<b>Secretary:</b>	Canon J Gilbert
<b>Auditors:</b>	Rice & Co Limited Chartered Accountants Statutory Auditors 14a Market Place Uttoxeter Staffordshire ST14 8HP
<b>Bankers:</b>	The Co-operative Bank 1 Balloon Street Manchester M4 4BE
<b>Solicitors:</b>	Lodders LLP Number Ten Elm Court Arden Street Stratford Upon Avon Warwickshire CV37 6PA
<b>Investment Managers:</b>	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB

# **The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

## **Report of the Trustees for the Year Ended 31st March 2024**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham ("The Johnson Association") is an unincorporated association registered with the Charity Commission, registration number 238681, and acts independently of any other charity.

The Association is governed by the rules adopted as its constitution on 29 November 2000 and amended on 14th July 2010, 13th July 2011, 11th July 2012, 11th July 2013, 2nd July 2018, 7th October 2020, 5th July 2021 and 4th July 2022.

#### **Trustees and meetings**

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 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 ten consecutive years as a Trustee.

Trustees meet quarterly and give their time freely, with no trustee remuneration or expenses paid. Honoraria are paid to the Administrator and Secretary, who are not Trustees. Trustees are required to disclose all relevant interests or activity with another charitable trust, a declaration of interests is signed at every Trustee Meeting.

The Chair of the Trustees is appointed by 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 they 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 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.

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. Previous Trustee training highlighted that greater diversity would be valuable for our organisation. The Trustees addressed this issue, in recent years, and are aware of it for future Trustee appointments.

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.

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 first meeting of the calendar year, the Trustees undertake an annual financial review updating 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.

## **The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

### **Report of the Trustees for the Year Ended 31st March 2024**

At our January Trustees meeting we 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 that socially conscious investors, such as a charity, consider when reviewing their investments. Environmental criteria consider how a charity 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 charity'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 charity management when appropriate.*

During the year, the Trustees undertook a review of all of the policies and procedures of the Board of Advisors to the Trustees. The review took place with each Trustee looking at one policy each and then presenting their review and considerations for all the Trustees to make their contributions – various changes were made to policies, errors and typos corrected and updated and agreed by all Trustees.

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, as well as the appointment of an Administrator and Secretary.

#### **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 and Wales requires the Trustees to prepare financial statements for each financial period 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 Statement of Recommended Practice (SORP 2019);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 are sufficient to show and explain the charity's transactions and 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.

## **The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

### **Report of the Trustees for the Year Ended 31st March 2024**

#### **The Board of Advisers to the Trustees (Deanery Reps)**

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 Rogerson	Rev J Green
Rev A Foster	Rev S Pimlott	Rev L Nguyen	Rev T Norton
Rev M Egawhary	Rev P Wheildon	Rev D Lamb	

#### **Day-to-day operations**

Responsibility for day-to day affairs of the Association has been delegated to the administrator and secretary.

#### **Associated company**

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham has an associated Trust Company - The Johnson Trust Corporation Limited (company number 8287813) which holds any real property as custodian trustee of The Association. The registered office is 17 Birch Green Grove, Stoke-on-Trent, Staffordshire ST1 6RD. The Johnson Trust Corporation Limited has been dormant throughout the current and previous financial years.

#### **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 proved to be robust and has served us well.

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 in general, 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 a time when 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 provision for the additional numbers of Secular Clergy retiring and future demands upon the Charity.

With the increasing uncertainty in 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**

#### **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.
- Providing 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.

## **The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

### **Report of the Trustees for the Year Ended 31st March 2024**

#### **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 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 on the awarding of a grant, either in full or 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 if their circumstances have changed.

#### **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.

#### **Review of activities**

During the year the Association has continued to focus on its core activities of raising funds to provide financial assistance to retired and incapacitated priests. Income is received from a levy paid by the parishes of the Archdiocese of Birmingham together with an annual second collection in Churches within the area. This is supplemented by general donations, legacies and income received from our investments which are carefully monitored by our investment managers Quilter Cheviot.

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, while keeping an appropriate balance between current funding and financial provision for future generations.

Number of Secular Clergy Supported:

2019	2020	2021	2022	2023	2024
66	58	65	56	57	61

#### **Fundraising activities and income generation**

The Association raises funds through an annual second collection in the Churches of the Archdiocese of Birmingham. Donations are also made through Standing Order payments and 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:

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

**Report of the Trustees for the Year Ended 31st March 2024**

**Investment policy and performance**

The core 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 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 supplement the core income and provide the annual funds needed to meet the objectives of 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 are sufficient to cover the expected increase in future grant applications.

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 £443,487 (2023: £341,759) as shown in note 4. 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 increase of 7.91% (net) in the investment portfolio (2023: decrease of 4.9%).

The yield on investments for the year was 2.22% (2023: 1.98%) which was in line with expectations given the general market performance.

**FINANCIAL REVIEW**

**Financial Performance**

During the year ended 31st March 2024, a higher level of legacies received of £476,609 (2023 - £29,911) has led to an increase in total income to £1,018,810 from £477,126 in 2023. This is comprised of donations and legacies of £575,323 (2023 - £135,367) and investment income of £443,487 (2023 - £341,759).

Total grants paid directly to priests increased to £429,525 from £384,443 in the previous year and this contributed to an increase in total expenditure from £462,232 to £530,029.

A surplus before investment gains of £488,781, up from £14,894 in 2023, has resulted.

Investment values have increased by £1,094,487, more than recovering the losses of £978,293 in the previous year. Leading to an increase in total funds of £1,583,268 compared to a decrease of £963,399 in 2023.

Total unrestricted funds as at 31st March 2024 were £19,867,157. Investments are maintained to provide current and future grants and are therefore not considered by the Trustees to be free reserves. The level of free reserves at 31st March 2024 was £1,697,900, up from £1,166,915 in the previous year.

**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 £1,487,513 and net assets of £19.87m and on that basis, the Trustees have prepared these financial statements on a going concern basis.



## **The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

### **Report of the Trustees for the Year Ended 31st March 2024**

#### **Reserves policy**

It is the policy of the Trustees to maintain 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 of recipients and the level of grant paid.

Free reserves of £1,697,900 at 31st March 2024 (2022: £1,166,915) represents over 24 months' grant payments; this is partly due to the receipt of substantial legacies in 2023/24. 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.

#### **Banking Arrangements**

This year there have been significant challenges with our banking arrangements, due to the decision during 2022/23 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 would have to find another bank. After many problems, we were finally able to open an account with The Co-Operative Bank in April 2023.

#### **PLANS FOR THE FUTURE**

Our future objectives are to ensure that sufficient finances are in place to be able to continue to satisfy all successful applications for financial support. The number of Secular Clergy that we support has been growing each year as the number of those retired grows. We must endeavour to ensure that we maintain and improve the value of our investment portfolio to enable us to meet this demand for our resources.

Having reflected carefully upon our banking experience and the lessons we can learn from this experience, the Trustees have decided (with approval of all members at the AGM) to change our charity status to a Charitable Incorporated Organisation (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 hopefully take place during 2024/25 once all the legal paperwork and approvals have been granted – and another “new” bank account sourced.

The Trustees discussed the need for an independent financial secretary to be appointed to keep the day-to-day accounts. An appointment has been made and their responsibilities started in the new financial year in April 2024.

#### **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.

Approved by order of the members of the board of Trustees on 8th July 2024 and signed on their behalf by:



Rev G Murray  
Trustee

**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 31st March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, Notes to the Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st March 2024 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 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.

**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.

**Independent Auditor's Report to the Trustees of  
The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

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

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report;
- sufficient and proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 3, the Trustees 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.

**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 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.

**Independent Auditor's Report to the Trustees of  
The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 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.



Rice & Co Limited  
Statutory Auditor  
14A Market Place  
Uttoxeter  
Staffordshire  
ST14 8HP

Date: 8th July 2024

Rice & Co 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 31st March 2024**

	Note	Unrestricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
<b>Income:</b>				
Donations and legacies	3	575,323	575,323	135,367
Investments	4	443,487	443,487	341,759
<b>Total income</b>		<u>1,018,810</u>	<u>1,018,810</u>	<u>477,126</u>
<b>Expenditure:</b>				
Costs of raising funds	5	44,810	44,810	45,507
Charitable activities	6	443,018	443,018	416,725
Governance costs	7	42,201	42,201	-
<b>Total expenditure</b>		<u>530,029</u>	<u>530,029</u>	<u>462,232</u>
<b>Net income for the year</b>		488,781	488,781	14,894
<b>Net gains on investments</b>	10	1,094,487	1,094,487	(978,293)
<b>Net movement in funds</b>		<u>1,583,268</u>	<u>1,583,268</u>	<u>(963,399)</u>
Total funds brought forward		18,283,889	18,283,889	19,247,288
<b>Total funds carried forward</b>	16	<u>19,867,157</u>	<u>19,867,157</u>	<u>18,283,889</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

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

**Balance Sheet as at 31st March 2024**

		<u>2024</u>		<u>2023</u>	
	Note	£	£	£	£
<b>Fixed assets</b>					
Investments	10		18,169,257		17,116,974
<b>Current assets</b>					
Debtors	11	248,157		214,165	
Cash at bank and in hand	12	1,487,513		980,694	
		<u>1,735,670</u>		<u>1,194,859</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	13	<u>(37,770)</u>		<u>(27,944)</u>	
<b>Net current assets</b>			1,697,900		1,166,915
<b>Net assets</b>			<u>19,867,157</u>		<u>18,283,889</u>
<b>The funds of the charity</b>					
Unrestricted income funds	21		19,867,157		18,283,889
			<u>19,867,157</u>		<u>18,283,889</u>

Approved by the Board of Trustees on 8th July 2024

and signed on its behalf by

.......... Rev G Murray - Trustee

The notes form part of these financial statements

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

**Consolidated Statement of Cash Flows  
for the Year Ended 31st March 2024**

	Note	2024		2023	
		£	£	£	£
<b>Cash flows from operating activities</b>	1		17,242		(387,269)
<b>Cash flows from investing activities</b>					
Purchase of fixed asset investments		(2,143,994)		(2,023,980)	
Disposal of fixed asset investments		2,192,936		1,928,480	
Dividends and interest received from investments		<u>447,386</u>		<u>360,325</u>	
<b>Net cash provided by/(used in) investments</b>			496,328		264,825
<b>Change in cash and cash equivalents in the year</b>			<u>513,570</u>		<u>(122,444)</u>
Cash and cash equivalents at the beginning of the year	2		986,454		1,108,898
<b>Cash and cash equivalents at the end of the year</b>	2		<u><u>1,500,024</u></u>		<u><u>986,454</u></u>

The notes form part of these financial statements

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

**Notes to the Statement of Cash Flows  
for the Year Ended 31st March 2024**

**1 RECONCILIATION OF NET EXPENDITURE TO CASH GENERATED FROM OPERATIONS**

	<u>2024</u>	<u>2023</u>
	£	£
<b>Net cash inflow from operating activities</b>		
Net income	488,781	14,894
Investment income	(443,487)	(341,759)
Decrease/(increase) in prepayments and accrued income	(37,878)	(65,050)
Increase/(decrease) in accruals and deferred income	9,826	4,646
<b>Net cash provided by/(used in) operating activities</b>	<u><u>17,242</u></u>	<u><u>(387,269)</u></u>

**2 CASH AND CASH EQUIVALENTS**

	<u>2024</u>	<u>2023</u>
	£	£
<b>Included in the balance sheet as cash at bank and in hand:</b>		
Bank current accounts	1,149,863	980,694
Investment cash accounts	337,650	-
	<u>1,487,513</u>	<u>980,694</u>
<b>Included in the balance sheet as fixed asset investments:</b>		
Investment income accounts	12,511	5,760
	<u><u>1,500,024</u></u>	<u><u>986,454</u></u>

**3 ANALYSIS OF CHANGES IN NET DEBT**

	<u>Balance at</u>	<u>Cash</u>	<u>Balance at</u>
	<u>01.04.2023</u>	<u>flows</u>	<u>31.03.2024</u>
	£	£	£
Bank current accounts	980,694	169,169	1,149,863
Investment cash accounts	-	337,650	337,650
Investment income accounts	5,760	6,751	12,511
	<u><u>986,454</u></u>	<u><u>513,570</u></u>	<u><u>1,500,024</u></u>

The notes form part of these financial statements



# **The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

## **Notes to the Financial Statements for the Year Ended 31st March 2024**

### **1 STATUTORY INFORMATION**

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham is registered with the Charity Commission (Registration Number 238681). The charity constitutes a public benefit entity as defined by FRS 102.

The presentation currency of the financial statements is the Pound Sterling (£).

### **2 ACCOUNTING POLICIES**

#### **Basis of preparing the financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

#### **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment in respect of a period of one year from the date of approval of the financial statements and consider that no such material uncertainties exist.

#### **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.

Donations are recognised in the Statement of Financial Activities when the charity has been notified of the amount and the settlement date. 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).

Legacies are recognised in the Statement of Financial Activities when the charity has been notified of an impending distribution or the legacy has been received. Where the charity has been notified of a forthcoming legacy, but the amount and timing of receipt is not known, it is not recognised in the Statement of Financial Activities but is included as a contingent asset and disclosed in the notes to the financial statements.

Investment income is earned through holding assets for investment purposes and is included in the Statement of Financial Activities 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.

#### **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

## **The Johnson or Secular Clergy Association of the Archdiocese of Birmingham**

### **Notes to the Financial Statements for the Year Ended 31st March 2024**

#### **2 ACCOUNTING POLICIES (continued)**

##### **Expenditure (continued)**

Resources expended have been allocated in the Statement of Financial Activities as follows:

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

Charitable activities - all expenditure directly and indirectly associated with meeting the objectives of the charity, including financial support provided.

Governance costs - all expenditure relating directly or indirectly to the general running of the charity.

Grants payable to third parties are within the charitable objectives and are paid to provide financial support for a period of time. Grants are recognised in the Statement of Financial Activities evenly over the period to which they relate.

Support costs include all overheads of the charity. These have been allocated to costs of raising funds, charitable activities and governance costs on a basis consistent with the use of the resources.

##### **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

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.

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.

##### **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.

##### **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.

Cash held within a portfolio of fixed asset investments is included as part of fixed asset investments where it is intended that this cash will be utilised for ongoing investment activities. Cash held within a portfolio of fixed asset investments which is not intended to be utilised for ongoing investment activities is included as cash at bank and in hand.

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

## Notes to the Financial Statements for the Year Ended 31st March 2024

### 2 ACCOUNTING POLICIES (continued)

#### 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.

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.

#### 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 amortized cost using the effective interest method.

#### 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.

#### Taxation

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 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Total 2024 £	Total 2023 £
Appeals - November collection	39,905	39,905	41,259
Parish levy	46,800	46,800	49,600
Donations	12,009	12,009	14,597
Legacies	476,609	476,609	29,911
	<u>575,323</u>	<u>575,323</u>	<u>135,367</u>

### 4 INCOME FROM INVESTMENTS

	Unrestricted Funds £	Total 2024 £	Total 2023 £
Income from listed investments	442,019	442,019	338,247
Bank interest	1,468	1,468	3,512
	<u>443,487</u>	<u>443,487</u>	<u>341,759</u>

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

**Notes to the Financial Statements  
for the Year Ended 31st March 2024**

**5 COSTS OF RAISING FUNDS**

	Unrestricted Funds £	Total 2024 £	Total 2023 £
Investment management fees	44,810	44,810	45,507

**6 EXPENDITURE ON CHARITABLE ACTIVITIES**

	2024			2023
	Grants Paid £	Support Costs £	Unrestricted Funds £	Total £
Grantmaking	429,525	13,493	443,018	416,725

**7 ALLOCATION OF SUPPORT COSTS**

	2024			2023
	Grantmaking £	Governance Costs £	Unrestricted Funds £	Total £
Legal and professional fees	8,529	25,589	34,118	4,570
Bank charges	66	-	66	1,987.00
Trustee meeting costs	-	315	315	1,225
Audit	-	11,400	11,400	15,000
Honarariums	3,750	3,750	7,500	9,500
Sundry expenses	1,148	1,147	2,295	-
	13,493	42,201	55,694	32,282

**8 STAFF NUMBERS AND COSTS**

The average number of employees during the year was nil (2023 - nil).

During the financial year, the following honorariums were paid:

	Unrestricted Funds £	Total 2024 £	Total 2023 £
Rev P Fitzpatrick	1,500	1,500	4,250
Rev J Gilbert	3,000	3,000	5,250
Rev D Doran	3,000	3,000	-
	7,500	7,500	9,500

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

No Trustee received any remuneration, benefits or expenses payments during the financial year (2023 - £nil).

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

**Notes to the Financial Statements  
for the Year Ended 31st March 2024**

**9 AUDITORS REMUNERATION**

	<u>2024</u>	<u>2023</u>
	£	£
Fees payable to the Charity's auditor for the audit of the financial statements	<u>11,400</u>	<u>15,000</u>

**10 FIXED ASSET INVESTMENTS**

	£
<b>Cost or valuation</b>	
At 1st April 2023	17,116,974
Additions	2,143,994
Disposals	(2,192,936)
Revaluations	1,094,487
Movement in cash	6,738
At 31st March 2024	<u>18,169,257</u>

All the fixed asset investments are in listed investments and 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 31st March 2024 was £11,318,667 (2023: £11,241,869).

**11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2024</u>	<u>2023</u>
	£	£
Prepayments and accrued income	<u>248,157</u>	<u>214,165</u>

**12 CASH AT BANK**

	<u>2024</u>	<u>2023</u>
	£	£
Bank current accounts	1,149,863	980,694
Investment cash accounts	337,650	-
	<u>1,487,513</u>	<u>980,694</u>

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

**Notes to the Financial Statements  
for the Year Ended 31st March 2024**

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024	2023
	£	£
Accruals for grants payable	15,084	1,349
Other accruals and deferred income	22,686	26,595
	<u>37,770</u>	<u>27,944</u>

**14 CONTINGENT ASSETS**

The charity has been made aware of a number of legacies that it is likely to receive. The amount and timing of these receipts is uncertain but they are prudently estimated to amount to £300,000.

**15 TAXATION**

No taxation is payable for the current or previous financial year as all surpluses arise from activities furthering the charitable objects of the charity and are utilised for charitable purposes, therefore leading to exemption from taxation.

**16 UNRESTRICTED INCOME FUNDS**

	2024	2023
	£	£
Balance at start of year	18,283,889	19,247,288
Net income for the year	488,781	14,894
Net gains/(losses) on investments in year	1,094,487	(978,293)
	<u>19,867,157</u>	<u>18,283,889</u>

**17 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	2024		2023
	Unrestricted Funds	Total funds	Total Funds
	£	£	£
Fixed asset investments	18,169,257	18,169,257	17,116,974
Current assets	1,735,670	1,735,670	1,194,859
Creditors due within one year	(37,770)	(37,770)	(27,944)
	<u>19,867,157</u>	<u>19,867,157</u>	<u>18,283,889</u>

**18 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 31st March 2024.