

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

Report of the Trustees and Financial Statements

for the Year Ended

31st March 2025

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham

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for the Year Ended 31st March 2025**

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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 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 31st March 2025.

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 1st January 2019).

REFERENCE AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------------|---|
| Name: | The Johnson or Secular Clergy Association of the Archdiocese of Birmingham |
| Registered Charity Number: | 238681 |
| Principal Office: | 17 Birch Green Grove Stoke-on-Trent Staffordshire ST1 6RD |
| Trustees | Rev G Murray - Chair – resigned as Trustee 8 th July 2024 Rev D Hartley - Chair from 8 th July 2024 Rev J Batthula Mrs P Deeley Rev P Griffin - appointed 8 th July 2024 Rev P Madden |
| Administrator: | Rev D Doran |
| Secretary: | Canon J Gilbert |
| Auditors: | Rice & Co Limited Chartered Accountants Statutory Auditors 14a Market Place Uttoxeter Staffordshire ST14 8HP |
| Bankers: | The Co-operative Bank 1 Balloon Street Manchester M4 4BE |
| Solicitors: | Lodders LLP Number Ten Elm Court Arden Street Stratford Upon Avon Warwickshire CV37 6PA |
| Investment Managers: | 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 2025

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 people 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 interest' 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 continue to be aware of this in 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.
- Risk Assessment.
- 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.
- Charity Governance Code.
- 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 2025

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 the policies and procedures of the Board of Advisors to the Trustees at a specially convened meeting in December 2024. 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.

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 2025

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 Whieldon | 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 Johnson Trust Corporation Limited has been dormant throughout recent years and was 'struck off' in March 2025.

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 2025

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 grant figure for every case. Instead, the Trustees give 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. This is an ongoing activity.

Main activities undertaken to further the Charity's purposes for 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:

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------|------|------|------|------|------|
| 58 | 65 | 56 | 57 | 61 | 56 |

The forecast of members retirement is expected to grow significantly in the next few years due to the age profile of the Secular Clergy in the Archdiocese of Birmingham.

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 benefactors.

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham

Report of the Trustees for the Year Ended 31st March 2025

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.

Investment policy and performance

Previously, the core of the Association's income was 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 note 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 £485,132 (2024: £443,487) 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 7.1% (net) in the investment portfolio (2024: increase of 6.1%).

The yield on investments for the year was 2.43% (2024: 2.45%), which was in line with expectations given the general market performance.

FINANCIAL REVIEW

Financial Performance

During the year ended 31st March 2025, a lower level of legacies received of £107,391 (2024 - £476,609) has led to a decrease in total income to £703,332 from £1,018,810 in 2024. This is comprised of donations and legacies of £218,200 (2024 - £575,323) and investment income of £485,132 (2024 - £443,487).

Total grants paid directly to priests decreased to £381,985 from £429,525 in the previous year and this contributed to a decrease in total expenditure from £530,029 to £479,731.

A surplus before investment gains of £223,601, down from £488,781 in 2024, has resulted.

Investment values have increased by £317,093, compared to an increase of £1,094,488 in the previous year and total funds have increased by £540,694 compared to an increase of £1,583,268 in 2024.

Total unrestricted funds as at 31st March 2025 were £20,407,851. 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 2025 was £940,727, down from £1,697,900 in the previous year.

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham

Report of the Trustees for the Year Ended 31st March 2025

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 £765,203 and net assets of £20.41m and on that basis, the Trustees have prepared these financial statements on a going concern basis.

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 £940,727 at 31st March 2025 (2024: £1,697,900) represents over 24 months' grant payments. 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

During the financial year a new bank account was opened with the Co-operative Bank to function as the Bank Account for the newly created Johnson Clergy Association (Birmingham) CIO (see "plans for the future" below). A current account and savings account with reserves for grant payments for two years is maintained. The old bank accounts with the Co-operative Bank remain open until all the standing orders have been successfully transferred. Once this is done the old bank accounts will be closed.

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.

The Trustees decided (with approval of all members at the AGM) to change our charity status to a Charitable Incorporated Organisation (CIO). This took place at the end of the financial year and all charitable activities were transferred to the Johnson Clergy Association (Birmingham) CIO, charity number 1207879 on 1st April 2025.

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 7th July 2025 and signed on their behalf by:



Rev J Batthula
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 2025 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 2025 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. 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: 7th July 2025

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 2025**

| | Note | Unrestricted Funds 2025 £ | Total Funds 2025 £ | Total Funds 2024 £ |
|------------------------------------|------|------------------------------------|-----------------------------|-----------------------------|
| Income: | | | | |
| Donations and legacies | 3 | 218,200 | 218,200 | 575,323 |
| Investments | 4 | 485,132 | 485,132 | 443,487 |
| Total income | | 703,332 | 703,332 | 1,018,810 |
| Expenditure: | | | | |
| Costs of raising funds | 5 | 49,909 | 49,909 | 44,810 |
| Charitable activities | 6 | 392,775 | 392,775 | 443,018 |
| Governance costs | 7 | 37,047 | 37,047 | 42,201 |
| Total expenditure | | 479,731 | 479,731 | 530,029 |
| Net income for the year | | 223,601 | 223,601 | 488,781 |
| Net gains on investments | 10 | 317,093 | 317,093 | 1,094,487 |
| Net movement in funds | | 540,694 | 540,694 | 1,583,268 |
| Total funds brought forward | | 19,867,157 | 19,867,157 | 18,283,889 |
| Total funds carried forward | 16 | 20,407,851 | 20,407,851 | 19,867,157 |

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

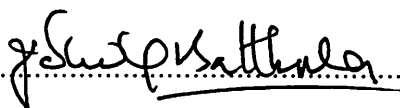
The Johnson or Secular Clergy Association of the Archdiocese of Birmingham

Balance Sheet as at 31st March 2025

| | Note | <u>2025</u> | | <u>2024</u> | |
|--|------|-----------------|-------------------|------------------|-------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investments | 10 | | 19,467,124 | | 18,169,257 |
| Current assets | | | | | |
| Debtors | 11 | 187,494 | | 248,157 | |
| Cash at bank and in hand | 12 | 765,203 | | 1,487,513 | |
| | | <u>952,697</u> | | <u>1,735,670</u> | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 13 | <u>(11,970)</u> | | <u>(37,770)</u> | |
| Net current assets | | | 940,727 | | 1,697,900 |
| Net assets | | | <u>20,407,851</u> | | <u>19,867,157</u> |
| The funds of the charity | | | | | |
| Unrestricted income funds | 21 | | 20,407,851 | | 19,867,157 |
| | | | <u>20,407,851</u> | | <u>19,867,157</u> |

Approved by the Board of Trustees on 7th July 2025

and signed on its behalf by



..... Rev J Batthula - 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 2025**

| | | <u>2025</u> | | <u>2024</u> | |
|---|----------|----------------|-----------------------|----------------|-------------------------|
| | Note | £ | £ | £ | £ |
| Cash flows from operating activities | 1 | | (229,051) | | 17,242 |
| Cash flows from investing activities | | | | | |
| Purchase of fixed asset investments | | (2,850,435) | | (2,143,994) | |
| Disposal of fixed asset investments | | 1,882,096 | | 2,192,936 | |
| Dividends and interest received from investments | | <u>487,515</u> | | <u>447,386</u> | |
| Net cash provided by/(used in) investments | | | (480,824) | | 496,328 |
| Change in cash and cash equivalents in the year | | | <u>(709,875)</u> | | <u>513,570</u> |
| Cash and cash equivalents at the beginning of the year | 2 | | 1,500,024 | | 986,454 |
| Cash and cash equivalents at the end of the year | 2 | | <u><u>790,149</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 Statement of Cash Flows
for the Year Ended 31st March 2025**

1 RECONCILIATION OF NET EXPENDITURE TO CASH GENERATED FROM OPERATIONS

| | <u>2025</u> | <u>2024</u> |
|---|------------------|---------------|
| | £ | £ |
| Net cash inflow from operating activities | | |
| Net income | 223,601 | 488,781 |
| Investment income | (485,132) | (443,487) |
| Decrease/(increase) in prepayments and accrued income | 58,280 | (37,878) |
| Increase/(decrease) in accruals and deferred income | (25,800) | 9,826 |
| | <u>(229,051)</u> | <u>17,242</u> |

2 CASH AND CASH EQUIVALENTS

| | <u>2025</u> | <u>2024</u> |
|---|----------------|------------------|
| | £ | £ |
| Included in the balance sheet as cash at bank and in hand: | | |
| Bank current accounts | 256,981 | 1,149,863 |
| Bank deposit accounts | 464,296 | - |
| Investment cash accounts | 43,926 | 337,650 |
| | <u>765,203</u> | <u>1,487,513</u> |
| Included in the balance sheet as fixed asset investments: | | |
| Investment income accounts | 24,946 | 12,511 |
| | <u>790,149</u> | <u>1,500,024</u> |

3 ANALYSIS OF CHANGES IN NET DEBT

| | <u>Balance at 01.04.2024</u> | <u>Cash flows</u> | <u>Balance at 31.03.2025</u> |
|----------------------------|----------------------------------|-----------------------|----------------------------------|
| | £ | £ | £ |
| Bank current accounts | 1,149,863 | (892,882) | 256,981 |
| Investment cash accounts | ##### | (293,724) | 43,926 |
| Investment income accounts | 12,511 | 12,435 | 24,946 |
| | <u>1,500,024</u> | <u>(1,174,171)</u> | <u>325,853</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 2025

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

**Notes to the Financial Statements
for the Year Ended 31st March 2025**

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 2025

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 amortised 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 2025 £ | Total 2024 £ |
|-------------------------------|----------------------------|--------------------|--------------------|
| Appeals - November collection | 44,491 | 44,491 | 39,905 |
| Parish levy | 48,000 | 48,000 | 46,800 |
| Donations | 18,318 | 18,318 | 12,009 |
| Legacies | 107,391 | 107,391 | 476,609 |
| | <u>218,200</u> | <u>218,200</u> | <u>575,323</u> |

4 INCOME FROM INVESTMENTS

| | Unrestricted Funds £ | Total 2025 £ | Total 2024 £ |
|--------------------------------|----------------------------|--------------------|--------------------|
| Income from listed investments | 473,705 | 473,705 | 442,019 |
| Bank interest | 11,427 | 11,427 | 1,468 |
| | <u>485,132</u> | <u>485,132</u> | <u>443,487</u> |

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham

**Notes to the Financial Statements
for the Year Ended 31st March 2025**

5 COSTS OF RAISING FUNDS

| | <u>Unrestricted Funds</u> £ | <u>Total 2025</u> £ | <u>Total 2024</u> £ |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| Investment management fees | <u>49,909</u> | <u>49,909</u> | <u>44,810</u> |

6 EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2025 | | | | 2024 |
|-------------|------------------|-----------------------|----------------------------|------------|------------|
| | Grants Paid £ | Support Costs £ | Unrestricted Funds £ | Total £ | Total £ |
| Grantmaking | 381,985 | 10,790 | 392,775 | 392,775 | 443,018 |

7 ALLOCATION OF SUPPORT COSTS

| | 2025 | | | | 2024 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| | Grantmaking | Governance | Unrestricted | Total | Total |
| | £ | Costs | Funds | £ | £ |
| Legal and professional fees | 5,815 | 17,446 | 23,261 | 23,261 | 34,118 |
| Bank charges | - | - | - | - | 66 |
| Trustee meeting costs | - | 1,108 | 1,108 | 1,108 | 315 |
| Audit | - | 11,970 | 11,970 | 11,970 | 11,400 |
| Bookkeeping | - | 1,548 | 1,548 | 1,548 | - |
| Honoraria | 3,000 | 3,000 | 6,000 | 6,000 | 7,500 |
| Sundry expenses | 1,975 | 1,975 | 3,950 | 3,950 | 2,295 |
| | <u>10,790</u> | <u>37,047</u> | <u>47,837</u> | <u>47,837</u> | <u>55,694</u> |

8 STAFF NUMBERS AND COSTS

The average number of employees during the year was nil (2024 - nil).

During the financial year, the following honoraria were paid:

| | <u>Unrestricted Funds</u> £ | <u>Total 2025</u> £ | <u>Total 2024</u> £ |
|-------------------|------------------------------------|----------------------------|----------------------------|
| Rev P Fitzpatrick | - | - | 1,500 |
| Rev J Gilbert | 3,000 | 3,000 | 3,000 |
| Rev D Doran | 3,000 | 3,000 | 3,000 |
| | <u>6,000</u> | <u>6,000</u> | <u>7,500</u> |

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 (2024 - £nil).

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham

**Notes to the Financial Statements
for the Year Ended 31st March 2025**

9 AUDITORS REMUNERATION

| | <u>2025</u> | <u>2024</u> |
|---|---------------|---------------|
| | £ | £ |
| Fees payable to the Charity's auditor for the audit of the financial statements | <u>11,970</u> | <u>11,400</u> |

10 FIXED ASSET INVESTMENTS

| | £ |
|--------------------------|-------------------|
| Cost or valuation | |
| At 1st April 2024 | 18,169,257 |
| Additions | 2,850,435 |
| Disposals | (1,882,096) |
| Revaluations | 317,093 |
| Movement in cash | 12,435 |
| At 31st March 2025 | <u>19,467,124</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 2025 was £12,877,379 (2024: £11,318,667).

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>2025</u> | <u>2024</u> |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Prepayments and accrued income | <u>187,494</u> | <u>248,157</u> |

12 CASH AT BANK

| | <u>2025</u> | <u>2024</u> |
|--------------------------|----------------|------------------|
| | £ | £ |
| Bank current accounts | 256,981 | 1,149,863 |
| Bank deposit accounts | 464,296 | - |
| Investment cash accounts | 43,926 | 337,650 |
| | <u>765,203</u> | <u>1,487,513</u> |

The Johnson or Secular Clergy Association of the Archdiocese of Birmingham

**Notes to the Financial Statements
for the Year Ended 31st March 2025**

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>2025</u> | <u>2024</u> |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Accruals for grants payable | - | 15,084 |
| Other accruals and deferred income | 11,970 | 22,686 |
| | <u>11,970</u> | <u>37,770</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

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| | £ | £ |
| Balance at start of year | 19,867,157 | 18,283,889 |
| Net income for the year | 223,601 | 488,781 |
| Net gains/(losses) on investments in year | 317,093 | 1,094,487 |
| | <u>20,407,851</u> | <u>19,867,157</u> |

17 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | <u>2025</u> | <u>2024</u> |
|-------------------------------|----------------------------|---------------------|
| | Unrestricted Funds £ | Total funds £ |
| Fixed asset investments | 19,467,124 | 18,169,257 |
| Current assets | 952,697 | 1,735,670 |
| Creditors due within one year | (11,970) | (37,770) |
| | <u>20,407,851</u> | <u>19,867,157</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 2025.