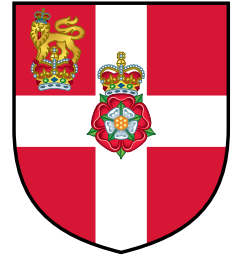




St John

The Priory of England and
The Islands of the Most Venerable Order
of the Hospital of St John of Jerusalem



Annual report and accounts

For the year ended 31 December 2016

including the work of St John Ambulance

Annual report and accounts

for the year ended 31 December 2016

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Report of the trustees

for the year ended 31 December 2016

Introduction

The trustees present their annual report and accounts for the year ended 31 December 2016.

The activities of The Priory of England and the Islands of the Most Venerable Order of the Hospital of St John of Jerusalem ('the Priory') are primarily conducted through its wholly-owned subsidiary, St John Ambulance, which itself has a wholly-owned subsidiary, Support St John Limited. This group is collectively referred to as 'St John' or 'the charity'.

Foreword

In 2016 we went further than ever in pursuit of our vision that everyone who needs it should receive first aid from those around them. No one should suffer for the lack of trained first aiders. We delivered this by raising awareness of the importance of first aid, equipping even more people with first aid skills, by directly delivering life saving first aid services in communities, and by improving how we operate.

We continued to raise awareness with a hugely-successful campaign for parents, Nursery Rhymes Inc., which presented clear advice on how to help a baby who has stopped breathing and by further developing our campaign to get first aid on the school curriculum. Our first aid courses reached tens of thousands more people than in 2015, with a particularly sharp increase in our work with young people in pursuit of our goal of building a nation of life savers.

Our volunteers and employees also provided first aid and ambulance services directly to thousands of people. Our brilliant volunteers gave hundreds of thousands of hours of service at public events and in their communities.

This was also a year in which the charitable sector as a whole was under the microscope and a challenging NHS environment created additional pressures for us. We took the opportunity to review our governance, structure and operational activity to ensure that we are both more effective and more resilient for the future, and that we continue to meet the standards set by all our regulators.

We thank our volunteers, employees, partners and donors for their commitment and contribution during the last year. In particular, special thanks are due to Rodney Green who retired in June 2016 after six years chairing our Priory Council.



Surgeon Rear Admiral Lionel Jarvis CBE MB BS FRCR
Prior



Sue Killen
Chief Executive

Report of the trustees

for the year ended 31 December 2016, continued

Objectives and activities

Charitable objects

The objects of the Priory are to encourage the spiritual and moral strengthening of humanity and to encourage and promote the relief of persons in sickness, distress, suffering or danger. One of the specific sub-objects of the Priory is to maintain and develop St John Ambulance. The object of St John Ambulance is the relief of sickness and the protection and preservation of public health.

St John Ambulance is the nation's leading first aid charity. Its vision is that everyone who needs it should receive first aid from those around them. No one should suffer for the lack of trained first aiders.

Together we do this by providing first aid directly at events and in communities, and by equipping people with the necessary first aid skills to save a life.



Report of the trustees

for the year ended 31 December 2016, continued

Objectives and activities, continued

Why we exist

Through St John Ambulance we save lives. We do this by teaching people easy-to-learn first aid techniques. And we do it by making sure that our volunteers are on hand to care for people in need at public events and out in their community.

It might sound straightforward, but it has an incredible impact. First aid gives people the confidence to do the right thing when it really counts, enabling them to be the difference between a life lost and a life saved.

Simple first aid techniques can be administered by anyone and can save lives. But we know that even more could be done to make sure first aid is available where it is needed the most.

In our First Aid Census in 2016 (measuring public knowledge and attitudes to first aid), 53% of respondents agreed that first aid knowledge would give them more confidence to act when it is needed, and 82% agreed it's important to learn first aid.

Over half of the population from our First Aid Census say they would be motivated to learn if they had faced a life and death situation where they could not help (63%). For 46%, the key motivator would be having vulnerable family members. Unfortunately, you can't predict when you might need to use it. That's why we campaign to raise awareness of the importance of first aid.

First aid saves lives – our goal is to make it available where it's needed most.



Report of the trustees

for the year ended 31 December 2016, continued

Objectives and activities, continued

What we do

The Priory achieves its charitable objectives through its own work and through supporting and championing the work of its subsidiary, St John Ambulance.

Directly delivering first aid

- Providing first aid, pre-hospital care and assistance at public events and in local communities.
- Providing safe and effective patient transport in support of the statutory ambulance services, in times of emergency and in circumstances where St John Ambulance is best placed to meet community need.

Equipping the public and communities to deliver first aid to those around them

- Directly training the public of all ages in first aid, focusing on both skills and confidence.
- Teaching people new skills, such as how to perform baby CPR. We aim to reach the biggest audience possible and have increased the numbers reached through television and online campaigns.
- Developing skills in young people through training and practice of their first aid skills.
- Supplying equipment like defibrillators and first aid kits to individuals, communities and workplaces.

Campaigning and leadership

- Promoting the importance of first aid.
- Campaigning to ensure greater access to first aid training.

Supporting the achievement of the Order of St John's objectives

- Preserving and promoting the heritage and traditions of St John, a Christian Order of Chivalry (especially through the museum and the Priory Church in Clerkenwell).
- Supporting first aid and related services in local communities worldwide, including contributing to the St John of Jerusalem Eye Hospital Group (which is an independent charity with its own board of trustees).
- Maintaining the St John Honours system and supporting the St John Fellowship.

Report of the trustees

for the year ended 31 December 2016, continued

Objectives and activities, continued

Strategy goals 2016-2020

We already have a huge impact on communities around the country but we want to do even more. In 2017 the Priory will produce an updated strategy. This will include ongoing support for the five-year strategy of its subsidiary St John Ambulance.

Together by 2020 we aim to ensure first aid is available in more places where it is needed most by:

- 1. Delivering first aid.** Support and develop a vibrant network of active first aiders to strengthen community resilience and directly deliver more first aid.
- 2. Equipping the public.** Ensure that more people have the motivation, skills, confidence and access to equipment to deliver first aid to those around them, especially where there is greatest need.
- 3. Campaigning and leadership.** Make more people aware of the importance of first aid and empower more of them to take positive action.

We aim to do this while maintaining the highest clinical standards and levels of customer service. To underpin this, our strategy also includes some changes to enhance the quality and effectiveness of our delivery, so that even more of our resources are deployed where they are needed the most.

Our values

2016 was the first full year for using our new values and they were embedded into the work of volunteers and employees. The values guide St John thinking and actions.

Humanity – treating others with compassion and respect

Excellence – pride in doing an excellent job

Accountability – delivering what we promise

Responsiveness – continuously learning and improving

Teamwork – working together effectively.

Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements

At St John we are committed to reflecting on our delivery and learning from both our successes and those areas where we didn't achieve our goals. In 2016, St John's 30,000 volunteers and 2,100 employees worked tirelessly to make their communities safer through administering and teaching first aid. St John Ambulance launched a new strategy and underwent a large organisational change. Their plans were ambitious and there are plenty of achievements in the last year to be proud of.

DELIVERING FIRST AID

Through St John Ambulance we save lives in communities all over the country. We reach people when they need help through local units and teams,

**In 2016 we treated
more than
96,000 people**

first aid assistance at events, ambulance operations and other commissioned services.

St John Ambulance teams are made up of passionate people from all walks of life, ages and backgrounds, but they all have one thing in common - they are life savers. Customer service and quality of patient care is at the heart of everything we do. A recent Care Quality Commission inspection praised our "respectful, friendly, kind and compassionate" people.

FIRST AID IN COMMUNITIES

St John's volunteers and employees are a crucial part of making sure first aid is available where it is most required. They are out in all weathers, across the country, knowing that their skills can be the difference between life and death in an emergency should they be needed.

Through St John Ambulance we provided fully trained and equipped personnel at over 26,000 public events in 2016. This includes first aiders, paramedics and nurses, as well as first aid vehicles and equipment.



Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued



When they're on duty at events they can react to emergencies before an ambulance arrives. As Judith from Somerset found out, their quick response is life saving.

St John Ambulance volunteers gave over 900,000 hours of their time to keep people safe at events. Providing first aid to people with problems ranging from minor injuries and sunburn to life threatening cardiac arrests.

More than 1,400 of our volunteers attended the 2016 Virgin Money London Marathon. A record 39,000 runners took to London's streets in April, and the St John Ambulance provision of first aiders equates to approximately one volunteer for every 30 metres of the course.

**St John Ambulance
provided first aid at
26,000 events**

WE DO EVEN MORE

The St John Ambulance Homeless Service provides accessible and flexible first aid and primary health care to the homeless. These services provide valuable support to vulnerable individuals with complex needs who might not otherwise access healthcare services. Our homeless services in Brighton and Hastings had contact with clients more than 2,500 times, including 1,120 in Brighton and 1,430 in Hastings.

With help from our friends

Through St John Ambulance we reached more communities with life saving skills, thanks to grants from organisations such as the Peacock Charitable Trust, D C R Allen Charitable Trust and The Edith Lilian Harrison 2000 Foundation. Our corporate partner Bunzl Plc funded the purchase of a purpose-built Mobile First Aid Unit, adding a brand new vehicle to provide first aid care at events across the South West.

Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

ST JOHN AMBULANCE BOYS SAVED MY LIFE

The swift actions of our community volunteers saved the life of a theatre-goer in Bristol. Judith was at the Hippodrome to watch *The Bodyguard* with her daughter, Bev, when she collapsed in her seat in January 2016.

'Her cardiac arrest was completely out of the blue; we were in our seats and one minute I was talking to mum, the next moment she was out cold – it was terrifying,' said Bev.

Another audience member started cardiopulmonary resuscitation (CPR) and St John Ambulance volunteers Craig Rankin and Steve Jones, who were on duty at the theatre, arrived quickly with a defibrillator.

Craig used the Hippodrome's portable defibrillator to deliver the single shock to Judith's heart, which saved her life. By the time the ambulance arrived to take her to Bristol Royal Infirmary, Judith was conscious and talking.

'These St John Ambulance boys saved my life,' said Judith. 'If I'd been at home when I had a cardiac arrest, I don't know what would've happened.'



WORKING IN PARTNERSHIP WITH THE NHS

Working with the NHS, St John Ambulance respond to emergency 999 calls to give assistance before the NHS ambulance arrives, and provide back up to the ambulance service, including providing patient transport services. This can include accident and emergency discharge and bariatric, paediatric and neonatal transfers. Last year the patient transport service completed over 121,000 patient journeys.

Through St John Ambulance we have hundreds of trained Community First Responders around the country. They operate from their own homes, using their own transport and are dispatched by the NHS Ambulance Trust in response to 999 calls. As they

live in the community, in many cases they arrive first on the scene, which is crucial in situations such as cardiac arrest, where every second counts. It can take eight minutes for an ambulance to arrive but a cardiac arrest victim needs a defibrillator within three minutes for the best chance of survival.

With over 900 vehicles including ambulances, we have the infrastructure to deploy clinical teams at short notice and react to large-scale emergencies, but we are ambitious about extending our reach and going further.

WE DO EVEN MORE

There are some specialist commissioned services, such as mobile alcohol treatment units, also known as City Centre Alcohol Triage Services. The unit in Coventry has treated more than 400 patients. Most of them have been between the ages of 18 and 22, and more than half have subsequently avoided needing hospital treatment.

Over 121,000 patient transport journeys

Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

EQUIPPING THE PUBLIC

At St John we want everyone to learn life saving skills. That's why we provide training and equipment to members of the public and organisations to help make communities and workplaces safer. Our volunteers and employees can't be at every situation that might need first aid, but giving more people the skills and confidence to use first aid is essential to the St John Ambulance vision and strategic goals to 2020.

TRAINING

Adults

Through St John Ambulance we train members of the public in first aid, so that they become life savers in their community. Training people through workplace first aid courses is one of the main ways we increase people's knowledge of and confidence to use first aid.

We're proud to say that in 2016 over 269,000 people

**489,000 people
trained last year**

were trained in first aid on workplace training courses (an increase of 2.3% on 2015). Our Emergency First Aid at Work and Fire Marshal programmes are still our most popular courses. First aid learned in the workplace can give people the confidence to act in their community, as Jess found out (below). Her 'brilliant' first aid training gave her the confidence to stop at a road accident.

We trained a further 34,000 adults on community first aid courses. During our first aid awareness month, Save a Life September, volunteers also taught skills to 46,000 people at over 370 free first aid demonstrations in public places, and distributed more than 87,000 free first aid guides.

WORKPLACE TRAINING EQUIPS SINGER TO RUSH TO BIKER'S AID

Confidence gained from a St John Ambulance first aid course encouraged a woman in Cheshire to help in a road traffic accident. Jess Thayer had previously attended one of our workplace first aid courses at a music school in Greenwich.

'We were the first ones on the scene, so I ran over to see what condition he was in and if I could help,' Jess said. 'I spoke to him, told him my name and then, thankfully, he started to open his eyes and speak. We called an ambulance and then had to keep him as still as possible and awake. I checked him over and it seemed he'd broken his collarbone. I kept him chatting to see how his memory was and to keep him conscious.'

Jess stayed with him until the ambulance arrived to take him to hospital. She admits she was terrified when she first saw the injured man, but says her 'brilliant' first aid training gave her the skills and confidence she needed to act immediately.



Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

Young people

Through St John Ambulance we are creating a generation of life savers. We are committed to teaching first aid in schools and through young people's programmes. Hollie Burr's story (below) highlights the importance of teaching young people first aid. As she puts it: 'You are never too old or too young to save someone's life.'

In 2016, thousands of young people gained the skills and confidence to save a life through St John Ambulance specialised programmes. These include Badgers (7 to 10-year-olds), Cadets (11 to 17-year-olds), schools engagement, LINKS (based in colleges and universities), and specialist programmes aimed at those not in education, employment or training.

Last year, over 166,000 young people received first aid training at school. Our trainers also supported initiatives like Restart a Heart Day in October, which in partnership with the Resuscitation Council, British Red Cross, British Heart Foundation and ambulance trusts across the country, trained more than 150,000 children in CPR in one day.

In 2016, St John Ambulance's Respect, Inspire, Support, Empower (RISE) programme engaged 19,000 young people not in employment, education or training, or those from deprived backgrounds.

RISE worked with a number of new partnerships including Little Lullaby (run by The Lullaby Trust), which gave young parents both first aid skills and the knowledge of how to reduce the risk of SIDS (sudden infant death syndrome), the Heart4More foundation, where young footballers received CPR and Automated External Defibrillator (AED) training combined with cardiac health awareness and Uniformed Youth Social Action Fund, which recruited and created places for 750 young people.

RISE also piloted working in partnership with the National Citizen Service (NCS), which engaged over 3,400 young people through a number of activities, such as learning about first aid related to gun and knife crime, raising first aid awareness in their local communities and creating their own campaigns inspired by the work of St John Ambulance.

With help from our friends

The second year of a Babcock International partnership helped 7,000 school children learn life saving skills and funded 1,500 of the young people in the RISE programme.

At the beginning of 2016, we used the final part of the Department for Education Character Grant, which enabled St John Ambulance to train thousands more school children in first aid around England.

BADGER RESCUES CHOKING BROTHER

A St John Ambulance Badger has given life saving first aid to her six-year-old brother, who was choking. Eight-year-old Hollie Burr, from Surrey, learned first aid as part of her St John Ambulance Badger training.

During dinner one day, her brother Brody started to choke on some chicken. Although initially she thought he was joking, when Hollie noticed his skin changing colour she immediately gave him three firm back slaps and the food flew out of his mouth.

Her mum Jo, who was in the utility room at the time, heard a choking noise and by the time she reached the kitchen Hollie had already saved her brother's life.

Jo said: 'I'm so pleased Hollie knew what to do. She gave him the back slaps as she'd been taught at St John Ambulance. I'm extremely proud of her.'

Hollie, who's been a Badger for around a year and a half, said: 'You are never too old or too young to save someone's life or help with an accident. It is very easy and you can save someone's life, like me!'



Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

CAMPAIGNING AND LEADERSHIP

As the nation's leading first aid charity, St John Ambulance campaigns for first aid awareness and sets the standards for first aid in the UK.

The Every Child a Lifesaver campaign, in partnership with British Red Cross and British Heart Foundation, aims to get first aid teaching into every school. It suffered a setback in December 2015 when Teresa Pearce MP's Bill was defeated.

We are not giving up, however, as there is too much at stake. In 2016, supporters put pressure on opinion formers to consider the introduction of first aid education, and St John Ambulance took some young volunteers to the Labour and Conservative party conferences, to share their experiences.

With St John Ambulance we supported a Bill introduced by Will Quince MP, which would have made first aid training a requirement to passing the driving test. Many new drivers experience road traffic collisions in their first few years on the road, and we believe it is important that they have the skills and confidence to help if required.

Using significant knowledge and experience, St John are at the forefront of setting the standards

for first aid. In July 2016, it released a revised edition of the First Aid Manual, in partnership with the British Red Cross, St Andrew's First Aid and publisher Dorling Kindersley, featuring updated first aid protocols.

The revised manual included a full update to clinical information and language to make it more accessible. All training packages and online first aid information has been updated to reflect the changes, to make sure we are always giving the most up to date and relevant advice.

PROMOTING FIRST AID THROUGHOUT SOCIETY

Through St John Ambulance we train thousands of people in first aid on courses, but we know that's not enough. Everyone should learn life saving first aid skills, so St John provides free resources to increase first aid knowledge to people at home and out and about. Last year we reached out to millions of people with first aid advice campaigns, apps and practical resources.

In January, we launched Nursery Rhymes Inc, a campaign to teach parents and the public how to help a baby who's stopped breathing. 2015 research showed that, while this was the first aid emergency that 74% of parents feared the most, only one in four knew what to do. The solution to this problem was an educational advert, which featured on television and was also viewed eight million times online, reaching 70% of the target audience.

**8 million views of
Nursery Rhymes Inc
online**



Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

The campaign's success prompted an innovative partnership with Tesco. Volunteers taught baby CPR to customers in 115 stores and distributed a babygrow that featured CPR advice. Our babygrow-linked video received five million views in a week.

We also distributed over 630,000 free first aid guides, including 30,000 baby first aid guides. Demand for these increased 25% after the Nursery Rhymes Inc campaign, reinforcing how effective practical resources and campaigns can be.

Interest in St John Ambulance apps continues with a further 168,000 downloads of the first aid and cycling apps, meaning a total of almost 450,000 since their launch in 2014. We also joined forces with Boots UK in the summer to launch a new first aid kit for children, including a guide on how to treat a range of common childhood injuries.



Over 630,000 free first aid guides distributed

MUM SAVES HER BABY WITH CPR

The day after watching our Nursery Rhymes Inc CPR advert, Alex McHugh put her new first aid knowledge into practice to save her son's life.

Joel, who was seven weeks old at the time, stopped breathing when they were on the school run in their home town, Wigan. Alex performed life saving CPR on Joel, who was diagnosed with a foetal lung lesion before he was born.

Alex said: 'It's every parent's worst nightmare that their child will stop breathing and this easy to understand advice can be the difference between a life lost and a life saved.'



Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

CELEBRATING THE IMPACT OF FIRST AID

Every year ordinary members of the public are stepping forward when it counts and saving lives. Our Everyday Heroes awards honour individuals and organisations who embody the vision of St John by providing first aid to those around them.

Anyone can be a hero – all you need is the knowledge and the confidence to take appropriate action, and these stories prove it.



EVERYDAY HEROES

Everyday Hero of the Year – Richard Tucker

In October last year Richard went to bed not knowing that in a few short hours he would be helping to save his fiancée Bridget's life. Woken by strange noises at 3am, Richard realised that Bridget was struggling to breathe beside him. Extremely worried, Richard rushed through to Bridget's daughter, Anna, and shouted to her to call 999 immediately. Richard then placed his fiancée on the floor of their bedroom and conducted CPR on his own until help arrived.



Guy Evans Young Hero of the Year Award – Bradley Knight

Student Bradley, 17, rushed to the scene of a motorcycle accident to help assist a complete stranger. On hearing a loud scraping and bang, Bradley saw a man had fallen off his motorbike. The engine was still running and dangerously leaking petrol, so he immediately turned it off to prevent further danger. The man had obvious head and leg injuries and a suspected concussion, so Bradley lay him down, supported his leg and treated him for shock. While helping the man, a heavily pregnant bystander who witnessed the accident also went into shock, so Bradley also reassured her and kept her calm as they both waited for the emergency services to arrive.

Workplace Hero – Russell Piper

Russell was the only person present when his fellow worker Stephen collapsed. He immediately dialled 999 and put his mobile on speaker so he could answer questions from the operator while administering CPR in between shouting for help. As a result of the incident, Stephen suffered brain damage and was unable to walk or talk for a long time afterwards. Following his slow and painful recovery, Stephen is incredibly grateful for Russell's quick thinking and hands-on help. Not only did Russell save Stephen's life, but he also visited him in hospital, provided support for his partner in the difficult weeks after the incident and arranged transport home for him.



Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

HERITAGE

We recognise and respect the heritage of St John and apply this in a modern and accessible way.

Heritage Assets

The Priory maintains Historic Assets in Clerkenwell, including the Priory Church and St John's Gate (also the St John Museum and its collections). The Library contains important manuscripts, archives and printed books making it one of the leading centres for research into the history and activities of the Order. It is open free of charge and by appointment.

The Museum houses the Order's collection of historical artefacts, as well as a learning centre for the use of school groups and others. In 2016 we attracted over 35,000 visitors, and grew our presence on social media, developing and expanding our YouTube channel with new material for virtual visitors to the Museum.

Chancery Activities

The Order of St John, through the Priory, honours commendable service in the cause of first aid. In 2016, 147 people were admitted to the Order or promoted within it, and 700 were honoured for their long service. The Priory team also:

- provided 886 Order of St John Organ Donation Awards
- coordinated contributions totalling over £360,000 towards the Eye Hospital (including sums raised by the 43 County Priory Groups (CPGs), the Priory Commanderies and the St John Fellowship)
- celebrated the 900 year history and heritage of St John through the work of the Priory's 42 County Chaplains, and at the Service of Rededication at St Paul's Cathedral on St John's Day through the Visitation hosted by the Lancashire CPG.

**In 2016 we had over
35,000 visitors to
the museum**

Fellowship

The St John Fellowship (formed predominantly of retired St John volunteers) continues to grow, with 3,200 members contributing over 60,000 hours of service across 124 branches.

County Priory Groups

Members of the 43 CPGs contributed nearly 30,000 hours of service in delivering Chancery activities in their local communities.



Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

OUR 2016 PERFORMANCE

1. Delivering a positive impact in communities

What we planned for 2016	What we delivered
<p>Awareness</p> <p>To make first aid relevant to more of the population and inspire them to take positive action through our awareness campaigns.</p>	<ul style="list-style-type: none"> • 8m views online of Nursery Rhymes Inc baby CPR video. • Our message reached 70% of our target audience of parents with children under 3. • 5m views of Baby CPR Babygrow video. • 40m views of St John Ambulance online educational videos.
<p>Education</p> <p>To develop and make available educational resources showing first aid techniques through our websites and printed materials.</p>	<ul style="list-style-type: none"> • 4m visits to the St John Ambulance website (an increase of 1.2 million). • Over 630,000 free first aid guides and z-cards distributed and 23,660 downloads of our first aid advice posters.
<p>Equipment</p> <p>To make more equipment available in local communities through the sale of first aid kits and resources such as defibrillators.</p>	<ul style="list-style-type: none"> • We increased the number of our first aid kits sold by 30% and defibrillators by 34%. This means there is more chance that someone will get the treatment they require.
<p>Training</p> <p>To train more people in first aid through schools, communities and the workplace and develop a training package for young carers.</p>	<ul style="list-style-type: none"> • Just under half a million adults and children trained directly (including nearly 270,000 through workplace training). • Last year the Young Carer's package was launched in the East and West Midlands, in partnership with organisations such as the Carer's Federation and Spurgeon's. Further courses have been scheduled for the beginning of 2017.
<p>Strategy</p> <p>To launch St John Ambulance 2020 strategy including our approach to increasing first aid provision to more of the public who need it.</p>	<ul style="list-style-type: none"> • 2020 Strategy launched. • First aid cover provided at more than 26,000 events, 64% at a community level.
<p>Infrastructure and quality</p> <p>To:</p> <ul style="list-style-type: none"> • implement changes to St John Ambulance central structures following completion of a planned review in 2015 and continue to bear down on costs wherever possible so that we can deploy resources where they are needed the most • go live with plans to implement cloud-based IT systems • continue to ensure compliance with clinical and other regulations. 	<ul style="list-style-type: none"> • Major organisational restructure to align to 2020 strategy and focus resources on maximising impact and reducing costs. • Cloud-based IT systems delivered for employees and volunteers. • Compliance and service quality at the heart of delivery. • The Care Quality Commission inspected our ambulance operations in London, the South East, and the West Midlands. They identified some areas of good practice and innovation, as well as some areas for improvement.

Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

2. Increasing our impact in the future

In schools, ambulance operations and research, we didn't achieve everything we wanted to. But, we were still able to make a positive impact and develop our understanding to support future planning and activity.

What we planned for 2016	What happened	What we learned
<p>Priory Strategy</p> <p>We planned to update the strategy of the Priory to ensure that its long-held values and its heritage continue to be recognised but in a contemporary fashion.</p>	<p>Changes in Trustee leadership during 2016 slowed progress, but consultation with internal stakeholders commenced.</p>	<p>A new Priory strategy will be completed in 2017.</p>
<p>Schools</p> <p>With St John Ambulance we planned to work with schools and partner organisations to implement our belief that every school child should learn first aid by:</p> <ul style="list-style-type: none"> • campaigning to get first aid education into more schools • developing programmes for young people outside the classroom • extending the Big First Aid Lesson to include new videos each school term to teach different first aid scenario topics to more young people. 	<p>We achieved a 19% increase in the numbers of children they directly trained in schools and contributed to the success of Restart a Heart Day in October, which trained over 150,000 children in CPR.</p> <p>In January, we launched the latest instalment of the Big First Aid Lesson for the classroom, a free online resource teaching first aid in short, simple scenarios. Although 95,950 pupils in 1,179 schools watched the Big First Aid Lesson Live in June (supported by Network Rail and Personal Group), this was down on numbers from 2015 and lower than targeted.</p>	<p>While we have expanded their programmes in 2016, we've learnt even more to help reach more children and young people in the future. We will be using 2017 to find the right approach to engage with larger numbers of children and young people.</p>
<p>Ambulance Operations</p> <p>We set out in 2016 to continue to grow our ambulance service activity, while increasing the effectiveness of delivery and use of resource.</p>	<p>We completed over 121,000 patient journeys, making us one of the most active providers in the country. However, due to ambulance trust cutbacks, the demand fell for patient journeys in 2016 compared to the year before.</p>	<p>We have reviewed our ambulance work and will now look to maximise the value we can bring, while reducing some of the risks of ad hoc service provision.</p>
<p>Research</p> <p>We planned to start a programme of research in line with our Theory of Change to demonstrate the impact of first aid.</p>	<p>Although we continued to develop understanding of key areas of delivery through specific pieces of work (for example our First Aid Census, and research around community outreach), we did not have the capacity for a larger research programme.</p>	<p>Research will play an important role in deciding our future priorities and we have allocated resources in 2017 to achieve this.</p>

Report of the trustees

for the year ended 31 December 2016, continued

Impact and achievements, continued

PLANS FOR THE FUTURE

In line with the St John Ambulance 2020 Strategy, work in 2017 and 2018 will be focused on making the most of the changes made last year to have an even bigger impact in communities.

Alongside continuing work to deliver first aid through events, ambulance operations and community services, first aid training and our leadership for greater access to first aid, we will be particularly focused in 2017-18 on:

- supporting our volunteers to increase their impact in communities, while improving capacity to support events where we can have the greatest impact by increasing our volunteer numbers and building community resilience
- developing vision, priorities and models of delivery for engaging young people in first aid
- consolidating our delivery of ambulance services following the challenges of 2016
- developing our research and evaluation to ensure that we maximise the impact of our available resources and identify the best ways to achieve our vision
- enhancing our fundraising to reinforce our sustainable financial position.

Report of the trustees

for the year ended 31 December 2016, continued

Statement of Public Benefit

PUBLIC BENEFIT

The Charity Commission for England and Wales has issued general guidance on the criteria it will use to determine whether or not a charity provides public benefit. The directors have considered the relevant guidance and are satisfied that all the organisation's charitable activities fall within its objects and result in considerable benefit to the public, as outlined in the section of this report dealing with achievements and performance.

The trustees have regard to the Charity Commission's requirements when reviewing the charity's aims and objectives, and in planning future activities.

Report of the trustees

for the year ended 31 December 2016, continued

Financial review

In preparing this report the trustees have complied with the Charities Act 2011 and the Statement of Recommended Practice - Accounting and Reporting by Charities, which incorporates the requirements of the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') ('the Charities SORP (FRS 102)').

REVIEW OF THE YEAR

Overall summary

In the calendar year 2016 the charity achieved a net surplus of £3.9m (2015: £2.4m) after including gains arising from the disposal of fixed assets and gains on investments.

Total income in 2016 was £102.5m (2015: £106.9m), a reduction of 4% on the previous year following a reduced requirement for support to the NHS with ambulance and transport services activity. Total expenditure consequently also reduced, to £102.8m (2015: £104.7m), of which £93.6m (2015: £96.4m) was expended on charitable activities.

Financial sustainability is a key driver for the charity and during 2016 we reviewed our operating model and structure. Key actions from our review were:

- the consolidation of eight regions into four
- the alignment of our leadership structure to reflect our new operating model
- the creation of national functions to drive quality, standards and consistency
- increased support for our volunteers.

The review will help to drive down costs and allow us to increase our charitable output.

At 31 December 2016 the charity's total funds were £125.7m (2015: £121.8m), with unrestricted funds of £122.7m (2015: £118.7m). These funds are represented by fixed assets (which are important in delivering our charitable services), our headquarters building, current assets and our other investments. Our free reserves, which are shown in further detail on page 24, are £15.8m (2015: £13.5m).

The 2016 financial performance across each of our main areas of activity is described below.

Expenditure figures referred to include an element of overhead costs, allocated as described in note 7 to the accounts.

Income from donations and legacies

Although income is generated from the provision of some of its services, St John also receives income from donations and legacies made by our supporters. This income, which is greatly appreciated, is used to support our charitable mission.

Income from donations and legacies increased by 4% to £14.7m, from £14.1m in 2015. Increases were achieved in relation to both donations and legacy income received. Legacy income increased by £0.3m compared to the previous year, totalling £2.5m in 2016.

Report of the trustees

for the year ended 31 December 2016, continued

Financial Review, continued

First aid provision and youth development

Expenditure in this area is considerably greater than income due to the large number of community events where first aid services are provided either free, or for a nominal charge which does not recover the full cost. Expenditure in 2016, including indirect costs, was £12.6m, compared to £13.5m in 2015, while income reduced from £7.5m in 2015 to £7.1m. The net cost of first aid provision and youth development reduced by £0.5m from £6.0m in 2015 to £5.5m.

Ambulance and transport services

Income from the provision of ambulance services reduced by 18% in 2016 as funding restrictions within the NHS limited the demand for our services. As a result, income decreased to £20.3m in 2016, from £24.9m the previous year. The total cost attributable to this activity, after including the allocation of indirect costs, reduced to £32.6m (2015: £35.5m). Due to the decline in income there was an overall increase in the net cost of the provision of ambulance and transport services to £12.3m in the year (from £10.6m in 2015).

We continue to be a significant provider of support to the NHS, with key customers including ambulance service and community services provider trusts covering much of England. As such, we are reviewing our operating model and strategy to ensure we can continue to provide a quality service in the most efficient and cost-effective way.

Community support programmes

Our community support programmes include day care centres, first aid training and informal advice to unpaid informal carers and the provision of services to the homeless in Sussex, as well as to the elderly at the St John Care Home in Kent. While income of £1.4m remained constant, the net cost of providing these services in 2016 increased to £2.2m (2015: £2.0m).

Training

The net surplus from the provision of first aid training was £10.1m, an increase of £0.3m compared to the previous year. Such surpluses are used to fund other charitable activities. Income from this source remained stable at £43.0m (2015: £43.1m). Related expenditure was £32.9m, a decrease of £0.4m compared to the 2015 expenditure of £33.3m, as we continue to look to deliver our courses as efficiently as we are able.

The cost of first aid training includes the cost of courses provided to the community for no charge.

First aid products

First aid products are procured and distributed by St John Ambulance Supplies, which sells first aid products to third parties, with resulting surpluses used to support St John Ambulance operating costs. In 2016 its external income rose by £1.2m to £10.2m (2015: £9.0m). This is an internal department which also coordinates purchasing for the whole of the charity. Costs incurred, relating to both internal and external activities and including allocated indirect costs, totalled £9.9m (2015: £8.6m).

Fundraising costs

The fundraising costs incurred by the charity, which enable the generation of our income from donations and legacies, were £6.7m (2015: £6.1m). This figure includes allocated indirect costs totalling £1.5m. Direct fundraising costs were £5.2m (2015: £4.9m).

Report of the trustees

for the year ended 31 December 2016, continued

Financial Review, continued

Cash flows

Cash balances, including monies placed on deposit and treated as current asset investments, increased in 2016 by £4.2m (2015: increase of £4.9m) to £17.5m (2015: £13.3m).

The cash outflow in respect of purchased fixed asset additions in 2016 was £1.3m (2015: £2.4m), with a further £1.2m outflow (2015: £1.2m) relating to the capital element of finance lease payments, primarily due to the purchase of ambulances. Vehicles with a book cost of £2.0m (2015: £1.3m) were purchased in this manner during 2016.

Following the continuing rationalisation of our property portfolio, £5.0m (2015: £6.6m) was received from the sale of tangible fixed assets, primarily properties surplus to our needs, during the year.

Investments

The St John Ambulance Board annually reaffirms its policy regarding investments. Cash balances over and above what are required for operational purposes, including capital expenditure, are potentially available for investment in quoted securities, which can easily be liquidated if required. The purpose of investment is to generate a return so that the value, in real terms, of these reserves is at least maintained.

Quoted securities

Movement in the UK Retail Prices Index (RPI) is the basic comparator against which long-term investment performance is judged, the objective being for a total return of RPI +3%.

The relative amounts invested in UK and in overseas securities is subject to regular review. At the year end approximately 60% of securities were invested in the UK market, with 40% in a range of overseas markets.

UK investments are held in the BlackRock Charishare Common Investment Fund, a unit-based fund designed as a vehicle for investment by charities. Overseas securities are held in the form of units in a number of separate geographically-focused BlackRock funds.

Across 2016 the total return from our securities investments, including dividends received, was 20.1% (2015: £4.4%), which exceeds the target benchmark figure. Across the same period the FTSE All-Share Total Return Index, which relates to UK securities only, rose by 16.8%.

Investment property

St John has one investment property, which is located adjacent to St John's Gate, Clerkenwell, the historic home of the Order. This important property also houses the National Headquarters of St John Ambulance. For accounting purposes the property comprises two parts:

- That part of the building which is used by St John for operational purposes is classified as an operational property and is included in the balance sheet at historic cost less accumulated depreciation
- Those parts of the building which are let to third parties are classified as an investment property and are included in the balance sheet at fair value. This element of the property is included in the balance sheet at its 31 December 2016 valuation of £17.3m. This figure has increased by £1.8m compared to its 31 December 2015 valuation of £15.5m.

Report of the trustees

for the year ended 31 December 2016, continued

Financial Review, continued

Funds and reserves policies

The trustees have adopted a policy for St John reserves, which is in line with the recommendations of the Charity Commission for England and Wales.

The trustees review this policy annually. In carrying out their assessment, the trustees have regard to strategic plans and financial budgets, as well as major operational, financial and external risks. These plans are aimed at achieving financial stability over the medium and long term. St John's planning process, including financial projections, takes into consideration the underlying economic climate and its potential impact on sources of income and planned expenditure.

Free reserves

The level of unrestricted funds, after excluding the value of fixed assets, investment property and any other amounts that have been designated for a particular purpose, are classed as 'free reserves'.

A level of 'free reserves' is required to ensure that the activities of St John can continue in the event of a major unforeseen reduction of income or increase in expenditure. These reserves provide a contingency which enable St John, if necessary, to make the required structural changes to bring income and expenditure into line. The reserves are supported by cash and quoted securities, which can readily be accessed when required.

Taking into account these factors, the trustees have determined that free reserves should be in the range £12m to £20m, and this is reflected in St John Ambulance's financial strategy. This represents between 1.5 and 2.5 months of expenditure on our core costs.

After considering the ease with which varying asset classes can be realised, the definition of free reserves has been amended in 2016. Net unrealised gains on investments (which are included in the balance sheet as a revaluation reserve) have now been removed from free reserves. Instead, securities investments (which can be sold at short notice if required) are entirely included within the value of free reserves, while the investment property, which is held as a long term asset, has been excluded.

At 31 December 2016 unrestricted funds held by St John totalled £122.7m (2015: £118.7m). These are represented by:

- Designated funds of £89.6m consisting of:
 - £79.1m (2015: £81.5m) relating to the net book value of heritage assets and unrestricted tangible fixed assets;
 - £10.5m (2015: £8.3m) designated for other particular purposes as follows:
 - Funds required for the replacement and maintenance of St John Ambulance's fixed assets (including ambulances and other medical vehicles) at a level whereby the charity can provide services in a professional and exemplary manner
 - Funds earmarked to develop business processes and systems, including information technology, to ensure up-to-date procedures, economies of scale and consistent delivery of St John Ambulance's objectives.
- £17.3m (2015: £15.5m) reflecting the fair value of investment property;
- Free reserves of £15.8m (2015: £13.5m on a consistent basis).

St John has therefore met its target for free reserves. Further detail is given in note 24.

The trustees consider there is a reasonable expectation that St John has adequate resources to operate for the foreseeable future. The directors do not consider there to be any material uncertainties that will change this expectation and accordingly the accounts have been prepared on a going concern basis.

Report of the trustees

for the year ended 31 December 2016, continued

Financial Review, continued

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and the rules of the Priory require the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland.

The trustees must not approve the financial statements unless they are satisfied that they provide a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity and the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions of the charity and of the group, and disclose with reasonable accuracy at any time the financial position of the charity and group and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trustees.

The trustees are also responsible for safeguarding the assets of the charity and of the group, and thus for taking reasonable steps towards the detection and prevention of fraud and other irregularities.

Basis of accounting

The financial statements of the Priory, prepared using the Charities SORP (FRS 102), are attached to this report.

Annually the trustees review St John's key accounting policies to ensure that they continue to be in accordance with the requirements of the Charities SORP (FRS 102) and with best accounting practice. The accounting policies applied by St John are detailed within note 1.

No significant changes have been made to these policies from those used in the year ended 31 December 2015.

Report of the trustees

for the year ended 31 December 2016, continued

Structure, governance and management

Risk management

The trustees identify the major strategic risks to which St John is exposed and establish controls and actions to mitigate them. Risk assessments and a risk register are in place and are subject to continual review and monitoring by the executive management team and by the Audit and Risk Committee.

The trustees take all appropriate steps to moderate and manage the inevitable operational risks to which volunteers, staff, the assets and the reputation of St John are exposed.

Principal risks which have been identified, and related controls, are set out below:

Key risk	Controls in place
Insufficient funds in place to enable St John Ambulance to continue the current level of day-to-day operations, or in the longer term, for example, due to a significant change in the market for first aid training or ambulance services.	<ul style="list-style-type: none">Established systems for financial planning, budgeting and monitoring of financial performance.Strategic and short-term treasury planning and management of liquid resources.Clearly-defined delegated authorities for committing to, or approving, expenditure.Free reserves policy.
The risk of significant harm to an individual on St John premises or in St John care.	Policies and procedures for safeguarding children and vulnerable adults, for standards of clinical practice, and for maintaining a safe and healthy working environment for staff, volunteers and service users. Mandatory, standardised training for public-facing staff and volunteers.
A major breach of principal legal or regulatory requirements, such as those relating to health and safety standards or CQC requirements.	Key areas are subject to monitoring and periodic reporting to the trustees, who also keep abreast of forthcoming changes in the external regulatory environment.
Poor or failing business systems, including IT, affecting the ability of St John Ambulance to operate effectively.	Business systems are monitored to identify at an early stage where improvement may be required. Service level agreements are in place with third-party suppliers for systems infrastructure. Our IT infrastructure was substantially upgraded during 2016 to a cloud platform and Office 365.
Reputational damage due to internal or external factors.	Policies and procedures in relation to operational activities, with national and regional teams in place to handle incidents that may arise. Key areas which may generate risk are subject to monitoring and reporting at trustee level, as well as inclusion in the charity's risk register.

Credit, liquidity and cash flow risk

St John's main exposure to institutional credit risk arises in respect of its investments and cash holdings. This risk that monies held or invested with financial institutions may not be repaid is controlled principally through restrictions regarding which institutions these may be placed with. Credit risk in relation to customer debts (the risk that a customer will not pay monies owed) is assessed as low because of the nature of St John's customer base and the very small number of large customer accounts. Risks relating to cash flow and liquidity are managed through short-term and long-term planning and forecasting.

The Internal Audit department, with the oversight of the Audit and Risk Committee, provides assurance on the effectiveness of the risk management process and associated mitigation strategies and controls, focusing on the areas of greatest risk.

Report of the trustees

for the year ended 31 December 2016, continued

Structure, governance and management, continued

Organisational structure

The Priory is registered with the Charity Commission for England and Wales under charity number 1077265. The trustees and senior executives are listed on pages 56 and 57. Principal places of business and professional advisers are given on page 58.

The Priory is one of a number of autonomous priories that form The Most Venerable Order of The Hospital of St John of Jerusalem ('the Order'). The Priory is governed by its rules which were initially approved by the Grand Prior of the Order on 23 October 1999 under the authority of the Order's Royal Charter and Statutes. Updated rules were approved by the Charity Commission and by the Grand Prior of the Order in 2014. The rules are also the Priory's constitution document and are filed with the Charity Commission for England and Wales.

The legal structure of the St John group as at 31 December 2016 is as follows:

The Priory of England and the Islands of the Order of St John - A registered charity in England

St John Ambulance - A wholly owned subsidiary of the Priory, a registered charity in England (charity number 1077265-1) and a company limited by guarantee (company number 3866129)

Support St John Limited - A wholly owned trading subsidiary of St John Ambulance and a company limited by guarantee (company number 1181644).

St John operates in England, principally through St John Ambulance which is governed by its Memorandum and Articles of Association adopted on 20 October 1999.

The principal activities of Support St John Limited are sponsorship, marketing and hosting functions and events. Support St John Limited is governed by its Memorandum and Articles of Association adopted on 19 October 2000.

There are a number of entities linked to the Order, as referred to in the accounting policies note, which are not controlled by the Priory and therefore are not included in the consolidated accounts of the Priory.

Governance

The governing bodies of the Priory are the Council of trustees ('Priory Council') and the Priory Chapter. The relationship between these bodies and St John Ambulance is shown in the diagram below.



The membership of the Priory Council and of each committee is noted on pages 56 and 57.

Report of the trustees

for the year ended 31 December 2016, continued

Structure, governance and management, continued

Priory Council

On 10 November 1999 the trustees of the Priory were incorporated under the Charities Act as a body, known as The Incorporated Trustees of the Priory of England and the Islands of the Most Venerable Order of the Hospital of St John of Jerusalem. The purpose of incorporation was to allow the execution of documents to be delegated to any two trustees or to one trustee and the Priory Secretary. The incorporation is of the body of trustees and not the charity.

The trustees are the members of the Priory Council and are legally responsible for the governance and management of the Priory.

The Prior, the Dean and the Chancellor serve as trustees of the Priory and also, *ex officio*, as directors of St John Ambulance. They are appointed to the Priory Council by the Grand Prior of the Order on the recommendation of the Priory Chapter.

Up to seven further trustees of the Priory, including at least one trustee independent of St John, are appointed by the Priory Chapter on the recommendation of the Nominations Committee, which takes into consideration the relevant skills and experience necessary to match the competencies required by the Priory Council.

Details of all trustees who served during 2016 and subsequently are set out on page 56.

Each trustee is appointed for an initial three-year period which, depending upon the nature of their appointment, may be renewed, normally for one or two further three-year periods.

A formal trustee induction procedure is in place and a full induction pack is provided to all new trustees. This contains key information and documents about the role of trustees in the charity. In addition, each new trustee is invited to attend an induction day at the charity's National Headquarters. Trustees are encouraged to gain a greater understanding and appreciation of local operations. They can also access relevant external training courses relating either to their responsibilities as trustees or to the charity sector in general.

Priory Chapter

The Priory Chapter consists of up to 48 members selected to be representative of the organisation, comprising 39 representatives from geographical areas and other interest groups and nine other *ex officio* members.

Vacancies which arise are filled from applications assessed by designated trustees and other senior volunteers, for specialist roles. Appointments are for a period of three years, which may be renewed for a further three years.

St John Ambulance

The Board of St John Ambulance, the Priory's wholly owned subsidiary, comprises up to 15 directors. The three *ex officio* members referred to above are appointed by the Grand Prior of the Order on the recommendation of Priory Chapter. Other directors are appointed by the Priory Council on the recommendation of the Nominations Committee.

Management

The Priory Council is responsible for setting strategies and policies and for ensuring that these are implemented. The Priory Council consults the Priory Chapter as necessary in reaching its decisions. The Priory Chapter is responsible for appointing the auditors and for making recommendations for the appointment of senior Priory Officers.

Report of the trustees

for the year ended 31 December 2016, continued

Structure, governance and management, continued

The Priory Council has delegated to the Board of St John Ambulance the responsibility for setting that charity's strategy and policies and receives regular reports from the Board on progress against them.

The Priory Council is assisted in its work by a number of formally-constituted committees, which are described below:

Nominations Committee

The Nominations Committee is a joint committee of the Priory Council, Priory Chapter, and the St John Ambulance Board, with terms of reference approved by each of these bodies. It meets as and when required. It provides recommendations to the Priory Chapter for the appointment (and reappointment) of trustees, and to the Priory Council for the appointment (and reappointment) of St John Ambulance directors. It also advises the Priory Council and the St John Ambulance Board directly in relation to the appointment and reappointment of the chairs of committees.

The Nominations Committee comprises nine members and is chaired by the Prior. It includes the Dean and the Chancellor as ex officio members. Three members are selected from the Priory Chapter and the remaining three members are independent of both the Priory Chapter and the Priory Council, selected either internally or externally on the basis of the particular skill sets required on the committee.

Audit and Risk Committee

The Audit and Risk Committee, which is a joint committee of the Priory Council and the St John Ambulance Board, reviews the effectiveness of internal controls (including financial controls) and risk management systems, the effectiveness of the internal and external audit functions and the clarity and completeness of disclosures in the annual report and accounts of St John. The committee meets at least four times a year and at other times as required. The current chairman is an independent director of St John Ambulance.

Remuneration Committee

The Remuneration Committee determines the remuneration and benefits of the Chief Executive and other members of the senior management team. The committee also makes recommendations to the St John Ambulance Board regarding annual pay awards, as well as considering the framework and broad policy for remuneration of all employees and the payment of expenses to employees and volunteers. The committee meets at least once a year and at other times as required. The current chairman is an independent director of St John Ambulance.

St John uses an independently-developed system of job evaluation that is transparent and objective, and undertakes periodic reviews of the external market, using independent organisations, to ensure that executive remuneration remains in line with the levels of other charities of similar size and complexity. Salary levels are set in the context of St John's charitable status, and take account of affordability in the light of the charity's financial position.

Delegation of authority

Day-to-day operations of both the Priory and St John Ambulance are delegated by the Priory Council and the St John Ambulance Board of directors to the Chief Executive. The Chief Executive is assisted in implementing strategy and policies by the Priory Secretary and other members of the St John Ambulance senior management team, to whom certain functions are further delegated. The members of the senior management team are listed on page 57.

Report of the trustees

for the year ended 31 December 2016, continued

Structure, governance and management, continued

AUDITOR

Grant Thornton UK LLP has indicated its willingness to be reappointed as statutory auditor.

IN GRATITUDE

The trustees would like to convey their sincere thanks to the many donors, volunteers and staff who have so generously given their support to St John. With their continuing efforts we look forward to enhancing the delivery of our charitable services within the community.

We are particularly grateful for the contributions of our Prior, Rodney Green, our Chancellor, the Revd. Canon Paul Denby, as well as that of Sophie Castell, who all retired as trustees during 2016.

This report was approved by the trustees on 16 May 2017 and signed on their behalf by:

Surgeon Rear Admiral Lionel Jarvis CBE MB BS FRCR,
Prior

Independent auditor's report

to the trustees of the Priory of England and the Islands

We have audited the financial statements of The Priory of England and the Islands of the Most Venerable Order of the Hospital of St John of Jerusalem for the year ended 31 December 2016 which comprise the consolidated Statement of Financial Activities, the consolidated balance sheet, the consolidated cash flow statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2016 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011.

Independent auditor's report continued overleaf

Independent auditor's report

to the trustees of the Priory of England and the Islands, continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the trustees is inconsistent in any material respect with the financial statements
- the parent charity has not kept sufficient accounting records
- 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.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants,
London

16 May 2017

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

for the year ended 31 December 2016

	Note	Unrestricted Funds £m	Restricted and Endowment Funds £m	2016 Total £m	2015 £m
Income and endowments from:					
Income from donations and legacies	2	14.1	0.6	14.7	14.1
<i>Income from charitable activities:</i>					
Delivering first aid:					
First aid provision and youth development		7.1	-	7.1	7.5
Ambulance and transport services		20.3	-	20.3	24.9
Community support programmes		1.4	-	1.4	1.4
Equipping the public:					
Training		42.7	0.3	43.0	43.1
First aid products		10.2	-	10.2	9.0
Other charitable activities		-	-	-	0.1
Total income from charitable activities	3	81.7	0.3	82.0	86.0
Income from other trading activities	4	1.3	-	1.3	1.6
Investment income	5	1.1	-	1.1	1.1
<i>Other income</i>					
Net gain on disposal of assets		3.1	-	3.1	3.6
Other income		0.3	-	0.3	0.5
Total other income		3.4	-	3.4	4.1
TOTAL INCOME		101.6	0.9	102.5	106.9
Expenditure on:					
Total expenditure on raising funds	7	9.2	-	9.2	8.3
<i>Expenditure on charitable activities:</i>					
Delivering first aid:					
First aid provision and youth development		12.1	0.5	12.6	13.5
Ambulance and transport services		32.6	-	32.6	35.5
Community support programmes		3.4	0.2	3.6	3.4
Equipping the public:					
Training		32.4	0.5	32.9	33.3
First aid products		9.9	-	9.9	8.6
Other charitable activities		2.0	-	2.0	2.1
Total resources expended on charitable activities	7	92.4	1.2	93.6	96.4
TOTAL EXPENDITURE		101.6	1.2	102.8	104.7
Gains on investments	9	4.0	0.2	4.2	0.2
NET MOVEMENT IN FUNDS		4.0	(0.1)	3.9	2.4
Fund balances at 1 January		118.7	3.1	121.8	119.4
FUND BALANCES AT 31 DECEMBER	24	122.7	3.0	125.7	121.8

All income and expenditure in 2016 arises from continuing activities. All gains and losses in the year are included above and, accordingly, a statement of total realised gains and losses has not been prepared.

The notes on pages 36 to 55 form part of these accounts.

Consolidated balance sheet

as at 31 December 2016

	Note	£m	2016 £m	£m	2015 £m
FIXED ASSETS					
Heritage assets	12	2.1		2.2	
Tangible fixed assets	13	<u>77.0</u>	79.1	<u>79.3</u>	81.5
INVESTMENTS					
Securities	14	15.8		13.2	
Investment property	15	<u>17.3</u>		<u>15.5</u>	
			<u>33.1</u>		<u>28.7</u>
			112.2		110.2
CURRENT ASSETS					
Stocks		2.8		2.3	
Debtors	16	18.3		19.4	
Current asset investments	17	4.0		-	
Cash and short term deposits	17	<u>13.5</u>		<u>13.3</u>	
		38.6		35.0	
LIABILITIES					
Creditors falling due within one year	18	<u>(16.5)</u>		<u>(15.2)</u>	
NET CURRENT ASSETS			22.1		19.8
TOTAL ASSETS LESS CURRENT LIABILITIES			134.3		130.0
Creditors falling due after more than one year	19		(8.6)		(8.2)
NET ASSETS			125.7		121.8
FUNDS					
<i>Unrestricted funds:</i>					
Revaluation reserve		16.0		12.2	
Other unrestricted funds		<u>106.7</u>		<u>106.5</u>	
Total unrestricted funds			122.7		118.7
Restricted funds			2.1		2.3
Endowment funds			0.9		0.8
TOTAL FUNDS	24		125.7		121.8

The notes on pages 36 to 55 form part of these accounts.

Approved by the trustees of the Priory of England and the Islands on 16 May 2017 and signed on their behalf by:

Surgeon Rear Admiral Lionel Jarvis CBE MS BS FRCR
Prior

Consolidated cash flow statement

for the year ended 31 December 2016

	Note	2016 £m	2015 £m
Net cash provided by operating activities	25	0.8	0.9
<i>Cash flows from investing activities</i>			
Dividends, interest and rents from activities		1.1	1.1
Proceeds from sale of investments		0.5	0.1
Purchases of current asset investments		(4.0)	-
Purchases of investments in securities		(0.7)	(0.2)
Proceeds from sale of tangible fixed assets		5.0	6.6
Purchases of tangible fixed assets		(1.3)	(2.4)
Net cash provided by investing activities		0.6	5.2
<i>Cash flows from financing activities</i>			
Capital element of finance lease payments		(1.2)	(1.2)
Net cash provided by financing activities		(1.2)	(1.2)
Increase in cash and cash equivalents during the year		0.2	4.9
Cash and cash equivalents at 1 January		13.3	8.4
Cash and cash equivalents at 31 December	26	13.5	13.3

The notes on pages 36 to 55 form part of these accounts.

Notes to the consolidated accounts

for the year ended 31 December 2016

1. ACCOUNTING POLICIES

The principal accounting policies are set out below. These policies have been applied consistently, with the following exceptions which are explained in accounting policy c, 'Critical accounting estimates, judgments and assumptions':

- the change to the de minimis limit for the recognition of heritage assets and tangible fixed assets in accounting policies g and h
- the change to the calculation method within the debt provision policy to take into account the average level of historic debt write-offs.

In these policies and the accounts the following abbreviations are used:

'the Order' – The Most Venerable Order of the Hospital of St John of Jerusalem (charity no. 235979).

'the Priory' – The Priory of England and the Islands of the Most Venerable Order of the Hospital of St John of Jerusalem (charity no. 1077265).

'St John' – The Priory, St John Ambulance (charity no. 1077265-1) and its subsidiary company.

'the Eye Hospital' – The St John of Jerusalem Eye Hospital Group (charity no. 1139527).

'SOFA' – Statement of Financial Activities.

a. Basis of preparation of accounts

The annual report and accounts are prepared in accordance with the rules of the Priory, in compliance with the Charities Act 2011, the Statement of Recommended Practice - Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with FRS 102 ('the Charities SORP (FRS 102)') and with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The accounts have been prepared on a going concern basis as discussed in the report of the trustees on page 24.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the 'Accounting and Reporting by Charities: Statement of Recommended Practice' ('the Charities SORP 2005'), effective from 1 April 2005, which has since been withdrawn.

The accounts are consolidated on a line-by-line basis and cover the consolidated financial position and transactions of companies controlled by the Priory, which are detailed in note 28.

The Priory meets the definition of a public benefit entity under FRS 102.

These accounts do not include the following entities which, although linked to the Order, are not controlled by the Priory:

- The Commanderies of Jersey, Guernsey, the Isle of Man and the Commandery of Ards, which operates in Northern Ireland.
- The Order, and the Eye Hospital.
- Other priories, commanderies, the Orders of St John Care Trust and St John associations linked with the Order.
- The St John and Red Cross Defence Medical Welfare Service (company no. 4185635, charity number 1087210).

b. The accounts of the Priory

Assets directly owned by the Priory comprise heritage assets acquired before 31 December 1999 and the membership rights in St John Ambulance, a charitable company limited by guarantee. None of these assets has a value that can be realised.

St John Ambulance, in furtherance of its own objects, incurs on its own account (and records properly in its own books) all expenditure necessarily and properly required for the maintenance and improvement of the Priory's assets and expenditure necessary in relation to the Priory's business.

The Council of the Priory has resolved that any income receivable by the Priory will be passed to St John Ambulance.

Consequently the Priory has not presented a separate Statement of Financial Activities and balance sheet because there are no assets, liabilities, income or expenditure to be recorded in the books and records of the Priory.

c. Critical accounting estimates, judgements and assumptions

In the process of applying its accounting policies, the Priory is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These estimates, judgements and assumptions affect the amounts of assets and liabilities at the date of the accounts and the amounts of income and expenditure recognised during the reporting period.

On an ongoing basis, estimates are evaluated using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

The following paragraphs detail the estimates, judgments and assumptions the Priory believes to have the most significant impact on the annual results under the Charities SORP (FRS 102).

Revenue recognition

St John recognises revenue on a receivable basis where the amount is reliably measurable and there is adequate probability of receipt. Income recognition policies are detailed in the accounting policy for income.

When it is considered that the key criteria of entitlement, probability and measurement for revenue recognition are not fulfilled for a transaction, revenue recognition is delayed until these have been judged to have been met. Payments received in advance of revenue recognition are recorded as deferred income.

Tangible fixed assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. Increasing an asset's expected life would result in a reduced depreciation charge. The useful lives of the Priory's assets are determined at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

The accounting policies for the recognition of minor additions to heritage assets and fixed assets have been reviewed and during 2016 the de minimis limit increased from £3,000 to £10,000.

Classification of leased assets

Leases held are analysed in order to determine where the risk and reward of the ownership of the asset lies and subsequently classified as either operating or finance leases. The accounting policy for leases has been applied to these arrangements and additional assets are recognised within tangible fixed assets.

Valuation of investment property

The valuation of the investment property at 27 St John's Lane that is recognised on the balance sheet is subject to an estimation of the proportion of the building which is let to third parties, as opposed to that proportion which is utilised for operational purposes.

A decision as to whether or not the property is revalued by an independent valuer at the end of a particular financial year is made subsequent to an internal assessment of whether there has been a material movement in the valuation of the property during the reporting period. An external valuation is undertaken when it is considered that the property valuation is likely to have changed materially during the year. As a minimum, an external valuation takes place every five years.

Accruals, provisions and contingencies

Expenditure incurred in the reporting period where there is uncertainty as to the final amount to be paid is accounted for on the basis of an estimated value where this treatment is viewed as appropriate. An accrual is recognised when it is probable that an obligation exists for which a reliable estimate can be made. The amount may change in the future due to new developments or as additional information becomes available.

Matters that either are possible obligations or do not meet the recognition criteria for a provision are disclosed as contingent liabilities, unless the possibility of transferring economic benefits is remote, in which case no reference is made.

Additional contributions to multi-employer pension plans

St John Ambulance currently pays additional employer contributions of over £0.3m per year to cover the deficit in the TPT Retirement Solutions Growth Plan scheme. FRS 102 includes a requirement to recognise the present value of any liability to make payments to fund any deficit relating to past service where an agreement to make the payments is in place.

The present value of the payments recognised, and the discount factor used, are derived from information specific to the St John Ambulance membership of the TPT Retirement Solutions Growth Plan that is supplied by TPT Retirement Solutions (formerly called The Pensions Trust).

Recognition of doubtful debts

A standard debt provision policy exists in order to recognise the cost of debts that are not considered to be collectable. A standard percentage of the debt value is provided against overdue debts, based on a historic analysis of the value of the average debt write-offs over the past five years. An additional provision may be also be made where information received indicates that a debt is unlikely to be paid by a customer.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

d. Historical cost convention

The accounts have been prepared using the historical cost convention, as modified by the revaluation of Investments.

e. Income

Income is generally recognised on a receivable basis and is reported gross of related expenditure, where the amount is virtually certain and when there is adequate probability of receipt. The specific bases used are as follows:

- Donations, gifts, legacies and general grants receivable, which do not relate to specific charitable activities, are categorised as voluntary income
- The accounts reflect no amounts in respect of time provided by volunteer members of St John
- Gifts in kind are brought into the accounts at their estimated fair value
- Where pro bono services are received, the value of those services, as estimated by the trustees, is included as both an incoming and outgoing resource in the SOFA
- Legacies are recognised as income when there is entitlement, probability of receipt and measurability of the legacy
- Fundraising income is shown gross except for small fundraising events where the cash is received net of expenditure
- Rental income is accounted for on a receivable basis over the rental period
- Income from charitable activity, including income from long-term contracts, trading and merchandising income, is accounted for when earned. Income received in advance is deferred until entitlement to the income has arisen
- Gains from the disposal of tangible fixed assets are included in the SOFA as part of other incoming resources
- Grants are recognised in the year when the entitlement to the grant is confirmed. Grants for the purchase of equipment and towards the initial setting up of projects are credited in full to the relevant activities in furtherance of the charity's objects. Grants that provide core funding, or are of a general nature provided by government and charitable foundations, are recorded as voluntary income. Grants specifically for goods and services to be provided as part of charitable activities are recorded against the activity to which they relate.

f. Expenditure

Expenditure is recognised on an accruals basis when a legal or constructive obligation exists and is reported gross of related income on the following bases:

- Expenditure on raising funds principally comprises the costs associated with attracting voluntary income and other publicity and public relations costs, including promoting more general public awareness.
- Charitable expenditure comprises direct expenditure, including direct staff costs attributable to the charity's activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. The basis of allocation of indirect costs to activities is set out in note 7
- Governance costs comprise those incurred as a result of constitutional and statutory requirements
- Support costs represent centrally incurred costs, principally relating to management resource, IT, Finance, Human Resources, buildings management and governance costs, which cannot be attributed to specific activities but provide the organisational infrastructure that enables those activities to take place. The basis of allocation to activities is set out in note 7.

g. Heritage assets

The Priory maintains two historic buildings in Clerkenwell, London. These are the Grand Priory Church, which sits upon a 12th century Norman crypt, and the 16th century St John's Gate. Within St John's Gate is situated the Museum of the Order of St John, which contains a collection of historic artefacts. Together these form the historic assets that were gifted by the Order to the Priory in 1999 and were subject to a specific term that the Priory may not dispose of these assets. If the Priory no longer considers it appropriate to retain them, they must be returned to the Order. The trustees of the Priory consider that it is impracticable to attribute any value in the balance sheet to those assets which were gifted by the Order.

Subsequent additions to heritage assets, all of which are funded by St John Ambulance and accounted for in its books, are stated at cost, except in the case of minor additions costing less than £10,000 each, which are expensed in the year in which the cost is incurred.

Expenditure on the historic buildings which results in significant enhancement of the internal configuration and allows for better visual display is capitalised, with depreciation charged over an estimated life of 50 years.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

Historic artefacts which are considered to have indefinite lives are not subject to depreciation. The carrying amounts at which heritage assets are held in the balance sheet are reviewed where evidence of possible impairment exists and reduced where an impairment is deemed to have occurred.

The cost of maintenance and repair of heritage assets is expensed in the year incurred.

h. Tangible fixed assets, depreciation and impairment

Freehold land is stated at cost.

Other tangible fixed assets are stated at cost less accumulated depreciation.

Minor additions to fixed assets, defined as those costing less than £10,000 each, are expensed in the year in which the cost is incurred.

Donated fixed assets are brought into the accounts at their estimated fair value at the time of acquisition.

Gains on the disposal of fixed assets, representing the excess of net proceeds over net book value, are recognised in the SOFA within other income.

Depreciation is provided to write off the cost of assets by equal annual instalments over their estimated useful lives as follows:

Freehold land	Not depreciated
Freehold and long leasehold buildings	50 years
Short leasehold buildings	Life of lease
Leasehold improvements	Shorter of remaining life and 10 years
Ambulances	Shorter of useful life and 7 years
Leased vehicles and equipment	Shorter of useful life and lease term
Other vehicles and equipment	3 to 7 years

Where the recoverable amount of a fixed asset is found to be below its net book value, the asset is written down to the recoverable amount and the loss on impairment is recognised in the SOFA.

i. Investments

Listed securities are stated at fair value at the balance sheet date.

Investment property is stated at estimated fair value as at the latest valuation date, subject to obtaining advice as to the possibility of any material movements between such valuations. If there is a material movement, the property is revalued at that time. As a minimum, it is revalued by an independent valuer every five years.

Realised gains and losses on securities, calculated as the difference between the sales proceeds and their fair value at the start of the year, or subsequent cost, are credited or charged to the SOFA in the year of sale.

Unrealised revaluation gains and losses are credited or charged to the SOFA in the year of revaluation.

j. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using the average cost method.

k. Pension costs

St John Ambulance makes contributions to a number of defined contribution pension schemes for its employees. Contributions payable to these schemes are expensed in the year in which they are incurred.

Liabilities to make payments to fund any deficit relating to past service where an agreement to make the payments is in place are recognised in accordance with FRS 102. The amount to be recognised is the present value of the payments agreed.

l. Foreign currencies

Income and expenditure are translated at the rate ruling when the transaction occurs. Balance sheet items are translated at the rate ruling at the balance sheet date. Gains on exchange are recorded within other income and losses on exchange are recorded within the activity to which they relate.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

m. Leases

Assets held under finance leases and other similar contracts, which provide for rights approximating to ownership, are treated as if purchased outright and the capital elements of these obligations are recorded as liabilities. The charge to the SOFA is represented by depreciation, which is charged in line with the charity's accounting policy, and interest. The interest is spread over the lease period in order to provide for a constant periodic charge on the balance of capital repayments outstanding.

The aggregate rentals payable for operating leases are expensed on a straight line basis in annual instalments over the term of the lease including any initial rent-free period.

n. Taxation

St John is able to partially recover Value Added Tax on purchases. Irrecoverable Value Added Tax is included in expenditure.

No Corporation Tax is due on profits arising from charitable activities.

Tax credits, tax deducted from income and receipts under deed of covenant or gift aid are recorded on a receivable basis. They are included as part of the income to which they relate.

o. Funds

Endowment funds are capital funds where the capital must be preserved although the income may be spent. The income may be added to restricted or unrestricted funds depending on the terms of the original endowment.

Restricted funds are funds that have restrictions imposed by donors and can only be applied for the particular purposes specified by the donors.

Designated funds are unrestricted funds set aside for specific purposes by the trustees. They include an amount equivalent to the net book value of unrestricted fixed assets used to enable St John to continue to carry out its charitable mission.

Any net cumulative unrealised gains on the revaluation of investments, having been credited to the SOFA, are held within a revaluation reserve.

Other charitable funds are unrestricted funds that are available to St John to carry out any of its charitable objectives.

Transfers are primarily made between funds either when the acquisition of a fixed asset has discharged a restriction or to reflect movements in the amount of funds designated by the trustees for specific purposes.

p. 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, representing amortised cost, as follows:

Financial instrument	Measurement on initial recognition
Cash	Cash held
Debtors	Settlement amount after any trade discounts
Creditors	Settlement amount after any trade discounts (assuming normal credit terms apply)
Investments – non-puttable unit trusts (ie. without an option to sell the shares at a later date at an agreed price)	Transaction price (cost)

o. Short-term deposits

Monies placed on deposit with a maturity date of more than three months are treated as current asset investments. Where the maturity date is three months or less, the deposit is recognised within cash or cash equivalents. In each case, the deposit is convertible to cash at, or close to, its carrying amount.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

2. Income from donations and legacies

	2016 £m	2015 £m
Donations and gifts	11.6	11.3
Legacies	2.5	2.2
Grants (see note 6)	0.1	0.1
Youth subscriptions	0.5	0.5
	14.7	14.1

3. Income from charitable activities

	Grants (see note 6) £m	Other income £m	2016 Total £m	2015 £m
Delivering first aid:				
First aid provision and youth development	-	7.1	7.1	7.5
Ambulance and transport services	-	20.3	20.3	24.9
Community support programmes	-	1.4	1.4	1.4
Equipping the public:				
Training	0.3	42.7	43.0	43.1
First aid products	-	10.2	10.2	9.0
Other charitable activities	-	-	-	0.1
	0.3	81.7	82.0	86.0

4. Income from other trading activities

	2016 £m	2015 £m
Rents from operational buildings	0.8	0.9
Merchandising	0.1	0.1
Fundraising events	0.4	0.5
Sponsorships	-	0.1
	1.3	1.6

5. Investment income

	2016 £m	2015 £m
Dividends and interest	0.5	0.4
Income from investment property	0.6	0.7
	1.1	1.1

6. Grants receivable

	Charitable activities (see note 3) £m	Income from donations and legacies (see note 2) £m	2016 Total £m	2015 £m
Lottery Funds	-	-	-	0.1
Other grants	0.3	0.1	0.4	0.8
	0.3	0.1	0.4	0.9

The following grants, which are included above, are required by the donor to be individually disclosed.



Grants from the Big Lottery Fund

	1 Jan 2016 £'000	Incoming resources £'000	Outgoing resources £'000	31 Dec 2016 £'000
Hastings Homeless Service, Sussex	7	48	(48)	7

Grants from the Heritage Lottery Fund

Great War Centenary project – Museum of the Order of St John	1	-	(1)	-
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Notes to the consolidated accounts

for the year ended 31 December 2016, continued

7. Total expenditure

	Direct staff costs £m	Other direct costs £m	Depreciation £m	Other costs £m	Support costs (see note 8) £m	2016 Total £m	2015 £m
<i>Expenditure on raising funds</i>							
Campaigning and Leadership:							
Fundraising costs	0.9	1.1	0.1	4.0	0.6	6.7	6.1
Publicity and public relations costs	1.0	0.2	-	0.9	-	2.1	1.9
Investment costs	-	-	-	0.1	-	0.1	0.1
Trading subsidiary costs	0.1	0.1	-	0.1	-	0.3	0.2
	2.0	1.4	0.1	5.1	0.6	9.2	8.3
<i>Expenditure on charitable activities</i>							
Delivering first aid:							
First aid provision and youth development	2.3	4.9	0.5	3.5	1.4	12.6	13.5
Ambulance and transport services	13.3	3.8	2.2	8.1	5.2	32.6	35.5
Community support programmes	1.3	0.2	0.1	1.5	0.5	3.6	3.4
Equipping the public:							
Training	15.5	5.1	0.6	7.6	4.1	32.9	33.3
First aid products	0.4	6.4	0.2	2.0	0.9	9.9	8.6
Other charitable activities	0.3	0.1	0.1	1.3	0.2	2.0	2.1
	33.1	20.5	3.7	24.0	12.3	93.6	96.4
Total expenditure	35.1	21.9	3.8	29.1	12.9	102.8	104.7

Direct costs are those associated with providing the activity – for example, first aid training includes training materials.

Other costs include indirect costs relating to staff, office accommodation and communications, which have been allocated to cost categories as described below.

Indirect costs are allocated on a basis consistent with the use of resources. Allocation is calculated using both relative staff numbers and usage of resources, with the proportion of each allocation basis used varying depending upon the type of cost to be allocated.

Support costs represent indirect costs which cannot be attributed to specific activities but provide the organisational structure that enables those activities to take place.

Fundraising costs include support costs and other indirect costs of £1.5m (2015: £1.2m), which have been allocated as described in the accounting policies (see note 1). Excluding these allocated costs, fundraising costs total £5.2m (2015: £4.9m).

The above costs include:

	2016 £m	2015 £m
Operating lease rentals:		
Land and buildings	1.6	1.4
Vehicles and equipment	0.7	0.7
Finance lease interest	0.3	0.3
Final payment to fund the pension obligations of the Joint Committee of The Order of St John of Jerusalem and the British Red Cross Society	-	0.3

The auditor's remuneration for the audit of these accounts was £71,000 (2015: £66,000). Non-audit fees in relation to other ad-hoc and advisory work totalling £10,000 was also payable to the auditors during the year (2015: £Nil).

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

8. Analysis of support costs

Support costs within note 7, which include external consultancy and project management costs, are allocated to activities as appropriate

	Governance £m	Management £m	Human resources £m	Central finance £m	Information Technology £m	Building management £m	2016 Total £m	2015 £m
Campaigning and Leadership:								
Fundraising and publicity	-	0.1	0.1	0.1	0.2	0.1	0.6	0.5
Delivering first aid:								
First aid provision and youth development	0.1	0.4	0.2	0.2	0.4	0.1	1.4	1.2
Ambulance and transport services	0.3	1.4	0.8	0.8	1.4	0.5	5.2	5.7
Community support programmes	-	0.1	0.1	0.1	0.2	-	0.5	0.6
Equipping the public:								
First aid training	0.3	0.5	0.7	0.8	1.4	0.4	4.1	3.7
First aid products	0.1	0.2	0.1	0.1	0.3	0.1	0.9	0.8
Other charitable activities	-	0.1	-	-	0.1	-	0.2	-
	0.8	2.8	2.0	2.1	4.0	1.2	12.9	12.5

9. Gains on investments

	2016 £m	2015 £m
Unrealised gain on securities (see note 14)	2.2	0.2
Unrealised gain on investment property (see note 15)	1.8	-
	4.0	0.2
Realised gain on securities (see note 14)	0.2	-
	4.2	0.2

10. Employee information

The average number of people employed including part-time staff, calculated on a headcount basis, analysed by function, was:

	2016 Headcount	2015 Headcount
Charitable activities	2,030	2,191
Generating funds	23	24
Governance	15	15
	2,068	2,230

The average number of people employed including part-time staff, calculated on a full-time equivalent basis, analysed by function, was:

	2016 Full time equivalent	2015 Full time equivalent
Charitable activities	1,729	1,835
Generating funds	23	21
Governance	15	14
	1,767	1,870

Total staff costs

	2016 £m	2015 £m
Salaries, wages and benefits in kind	43.7	45.2
Social security costs	3.8	4.0
Pension and death benefits	1.8	2.3
	49.3	51.5

The above-noted costs include direct staff costs, which are shown in note 7, as well as indirect staff costs and staff support costs. The figure also includes additional employer defined benefit pension contributions payable to the Pension Trust of £0.3m (2015: £0.3m), as referred to in note 30.

Payments to employees, included in salaries, wages and benefits in kind, made in relation to the termination of employment during the year totalled £0.7m (2015: £0.2m)

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

10. Employee information, continued

Emoluments of employees

The number of employees of St John whose emoluments (salaries, wages and benefits in kind) fell within the following bands were:

<i>Employees who did not receive any termination payments</i>	2016 Number	2015 Number
£60,001 - £70,000	10	11
£70,001 - £80,000	6	7
£80,001 - £90,000	4	8
£90,001 - £100,000	3	2
£100,001 - £110,000	6	5
£110,001 - £120,000	1	-
£120,001 - £130,000	-	2
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

The number of employees of St John whose emoluments (salaries, wages, benefits in kind and termination payments) fell within the following bands were:

<i>Employees who received termination payments during the year</i>	2016 Number	2015 Number
£60,001 - £70,000	1	1
£90,001 - £100,000	1	-
£170,001 - £180,000	1	-

In addition, during the year pension contributions to a defined contribution scheme on behalf of these staff amounted to approximately £197,000 (2015: £230,000).

Further details of the St John Ambulance pension scheme are set out in note 30.

Key management personnel

Key management personnel are defined as the trustees of the Priory, the directors of St John Ambulance and the senior management team of the charity. The trustees and directors receive no remuneration except for expenses necessarily incurred during the performance of their duties. The members of the senior management team are listed on page 57.

The total emoluments of the key management personnel (salaries, wages, benefits in kind, including pension costs, and termination payments), excluding expenses necessarily incurred during the performance of their duties, during the year were £998,000 in relation to 15 employees (2015: £1,149,000 in relation to 12 employees).

Donations made by key management personnel during 2016 were £2,000 (2015: £3,000).

11. Trustees' remuneration and related party transactions

The trustees receive no remuneration for their services, but are reimbursed for expenses which are necessarily incurred in the performance of their duties.

The total of expenses (relating principally to travel, subsistence and accommodation) in 2016 was £23,000 (2015: £17,000) relating to 11 (2015: 10) trustees.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

12. Tangible fixed assets – heritage assets

	Historic buildings £m	Artefacts £m	Total £m
Cost			
At 31 December 2015 and 31 December 2016	2.0	0.4	2.4
Accumulated depreciation			
At 31 December 2015	0.2	-	0.2
Charge for year	0.1	-	0.1
At 31 December 2016	0.3	-	0.3
Net book value 31 December 2016	1.7	0.4	2.1
Net book value 31 December 2015	1.8	0.4	2.2

The amount of depreciation charged in 2016 in respect of historic buildings was £40,000 (2015: £40,000).

St John maintains approximately 40,000 artefacts, of which some 400 of the most historically important are on public display in the Museum, the remainder being held in storage. The items held include a wide range of arms and armour, prints, documents, coins, models, costumes and other items relating to the history and activities of the Order. There is no charge for admission to the Museum, although donations are welcome. Further details relating to the history and contents of the Museum are provided on the Museum's website (museumstjohn.org.uk).

The sale and purchase of artefacts is infrequent, acquisition only being contemplated for items which are complementary to the existing collection. There were no additions or disposals of heritage assets during the years ended 31 December 2015 and 31 December 2016. The Museum staff are responsible for the cataloguing, custody and maintenance of all of the heritage assets. In accordance with best practice, the Museum's Head of Heritage maintains detailed records of all artefacts, including description and dating information.

Summary analysis of heritage asset transactions

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Depreciation – historic buildings only	40	40	40	40	41

Over the past five years, there have been no purchases, donations received or disposals of heritage assets.

13. Tangible fixed assets

	Freehold Property £m	Long Leasehold Property £m	Short Leasehold Property £m	Vehicles & Equipment £m	Total £m
Cost					
At 1 January 2016	68.1	15.4	2.8	44.5	130.8
Additions	0.8	-	-	2.5	3.3
Disposals	(2.2)	(0.1)	-	(1.0)	(3.3)
Transfers	(0.1)	-	0.1	-	-
At 31 December 2016	66.6	15.3	2.9	46.0	130.8
Accumulated depreciation					
At 1 January 2016	10.7	3.4	1.3	36.1	51.5
Charge for year	1.0	0.2	0.2	2.3	3.7
Disposals	(0.4)	-	-	(1.0)	(1.4)
At 31 December 2016	11.3	3.6	1.5	37.4	53.8
Net book value 31 December 2016	55.3	11.7	1.4	8.6	77.0
Net book value 31 December 2015	57.4	12.0	1.5	8.4	79.3

The net book value of assets held under finance leases at 31 December 2016 was £6.6m (2015: £5.9m). The depreciation attributable to these assets during the year was £1.3m (2015: £1.1m). All assets held under finance leases are classified as vehicles and equipment.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

14. Investments - securities

	2016 £m	2015 £m
Analysis of investments at 31 December by category of holding		
Unit trusts	15.8	13.2
	15.8	13.2

Unit trusts include no cash instruments (2015: £Nil).

	2016 £m	2015 £m
Analysis of investments at 31 December by location		
Investments in the UK	9.4	8.1
Investments outside the UK	6.4	5.1
	15.8	13.2

	2016 £m	2015 £m
Analysis of movements in the securities portfolio		
Fair value at 1 January	13.2	12.9
Additions at cost	0.7	0.2
Book value of disposals	(0.3)	(0.1)
Net unrealised gains (see note 9)	2.2	0.2
Fair value at 31 December	15.8	13.2

A realised gain, net of sale costs, of £0.2m (2015: £Nil) arose from disposals and has been included in the SOFA as part of the total gains on investment assets (see note 9).

The value of the following investments represented more than 5% of the total fair value as at 31 December 2016:

	Number of shares	Fair value £m
BlackRock Charishare Common Investment Fund	1,511,965	8.9
BlackRock North American Equity Tracker Fund class D accumulating units	998,802	3.0
BlackRock Continental European Equity Tracker Fund class D accumulating units	798,465	1.7

The year end fair value of securities, and historical cost, is shown below:

	2016 £m	2015 £m
Fair value	15.8	13.2
Cost	(13.3)	(12.9)
Revaluation surplus	2.5	0.3

The increase in the revaluation surplus is reflected in the SOFA as an unrealised gain (see note 9).

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

15. Investment property

	2016	2015
	£m	£m
Fair value at 1 January	15.5	15.5
Increase in fair value	1.8	-
Fair value at 31 December	17.3	15.5

St John has one investment property, which is adjacent to the Museum of the Order of St John at St John's Gate. The majority of space in the building is let to third parties, but it also accommodates the National Headquarters of St John Ambulance. The carrying value of the property is split into two separate elements. That part of the building which is let to third parties is included in the balance sheet at fair value, while that part which is used by St John Ambulance for operational purposes is carried in the balance sheet at cost, less accumulated depreciation.

The property was valued as at 31 December 2014 by Daniel Watney LLP, Chartered Surveyors, a firm of independent valuers, who also provided an update to this valuation as at 31 December 2016. The total valuation of the building as at 31 December 2016, including both the operational and investment elements of the property, was £30.8m (2014: £27.2m). Of this amount, £13.5m is classified as operational and £17.3m is classified as the valuation of the investment property.

The valuation amount has been apportioned between the investment and non-investment parts of the building using the relative floor areas attributable to each element.

The basis of valuation was market value on the assumption that it would be sold subject to existing leases and tenancies, determined in accordance with the requirements of the RICS Valuation – Professional Standards January 2014 (revised April 2015). The valuer's opinion of market value was primarily derived using comparable recent market transactions on arm's length terms together with other valuation techniques.

A comparison of the valuation of the investment property and its historical cost is shown below.

	2016	2015
	£m	£m
Fair value	17.3	15.5
Cost at 1 January and at 31 December	3.6	3.6
Revaluation surplus	13.7	11.9

16. Debtors

	2016	2015
	£m	£m
Trade debtors	12.9	12.6
Legacies receivable	-	0.1
Other debtors	0.1	0.1
Prepayments and accrued income	5.3	6.6
	18.3	19.4

17. Cash and short term deposits

Cash and short term deposits includes monies held in interest-bearing bank accounts as well as monies held on short-term deposit with a maturity of less than three months (see note 26).

As at 31 December 2016, an amount of £4 million was held within a 12 month term deposit that matures on 28 July 2017. This deposit is treated as a current asset investment and excluded from cash at bank and in hand.

18. Creditors falling due within one year

	2016	2015
	£m	£m
Trade creditors	4.2	4.0
Obligations under finance leases	1.4	1.1
Pension contributions (see note 31)	0.6	0.6
Taxes and social security	2.0	2.1
Holiday pay	0.4	0.4
Other creditors	0.1	0.1
Accruals	4.3	3.3
Deferred income (see note 20)	3.5	3.6
	16.5	15.2

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

19. Creditors falling due after more than one year

Amounts falling due after more than one year after the balance sheet date comprise:

	2016 £m	2015 £m
Finance leases	5.7	5.2
Pension contributions (see note 31)	2.9	3.0
	<u>8.6</u>	<u>8.2</u>

20. Deferred income

	Course fees £m	Other £m	Total £m
Balance at 1 January 2016	3.3	0.3	3.6
Amount released to income	(3.3)	(0.3)	(3.6)
Amount deferred in the year	3.2	0.3	3.5
Balance at 31 December 2016	<u>3.2</u>	<u>0.3</u>	<u>3.5</u>

21. Financial commitments

Operating lease commitments

	Land & Buildings £m	Vehicles & Equipment £m	2016 £m	Land & Buildings £m	Vehicles & Equipment £m	2015 £m
Leases which expire within						
Less than one year	0.1	-	0.1	0.1	0.1	0.2
Two to five years	2.5	1.6	4.1	1.9	0.2	2.1
Over five years	3.3	-	3.3	5.2	-	5.2
	<u>5.9</u>	<u>1.6</u>	<u>7.5</u>	<u>7.2</u>	<u>0.3</u>	<u>7.5</u>

Future minimum finance lease payments

Future minimum payments as at the balance sheet date in relation to finance leases, primarily relating to ambulances, comprise:

	2016 £m	2015 £m
Amounts payable within less than one year	1.8	1.4
Amounts payable between two and five years	5.6	5.1
Amounts payable after five years	0.6	0.6
	<u>8.0</u>	<u>7.1</u>

22. Capital commitments

At 31 December capital commitments contracted for amounted to:

	2016 £m	2015 £m
Vehicles and equipment	-	2.6
	<u>-</u>	<u>2.6</u>

Capital commitments primarily relate to outstanding orders for ambulances.

23. Analysis of total funds

	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	2016 £m	2015 £m
Type of asset and liability					
Heritage assets	2.1	-	-	2.1	2.2
Tangible fixed assets	77.0	-	-	77.0	79.3
Securities	14.4	0.5	0.9	15.8	13.2
Investment properties	17.3	-	-	17.3	15.5
Net current assets	20.5	1.6	-	22.1	19.8
Creditors falling due after more than one year	(8.6)	-	-	(8.6)	(8.2)
	<u>122.7</u>	<u>2.1</u>	<u>0.9</u>	<u>125.7</u>	<u>121.8</u>

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

24. Total funds	1 Jan 2016*	Incoming resources	Outgoing resources	Investment gains	Transfers and reallocations	31 Dec 2016
Restricted funds	£'000	£'000	£'000	£'000	£'000	£'000
<i>Lottery funds</i>						
Big Lottery Fund – Hastings Homeless Service	7	48	(48)	-	-	7
Heritage Lottery Fund – Great War Centenary project	1	-	(1)	-	-	-
<i>Other restricted funds</i>						
Airwing travelling fellowships	155	4	(2)	29	-	186
Building purchases and maintenance	119	6	(34)	-	-	91
Community care	9	-	-	-	-	9
Local and sundry funds	1,102	531	(364)	16	38	1,323
Medical vehicle purchases and maintenance	73	-	(51)	-	-	22
R Luff benevolent fund	134	20	(15)	21	-	160
Training funds	187	49	(13)	-	(38)	185
Volunteer development and welfare	493	160	(508)	-	-	145
Department for Education - Character Education grant	-	115	(115)	-	-	-
Total restricted funds	2,280	933	(1,151)	66	-	2,128
Endowment funds						
G Holland Trust	111	-	-	14	-	125
R Luff benevolent fund	571	-	-	110	-	681
Doug Spence fund	87	-	-	12	-	99
Other funds	27	-	(7)	-	-	20
Total endowment funds	796	-	(7)	136	-	925
Unrestricted funds						
<i>Designated funds</i>						
Purchase and replacement of vehicles	2,550	-	(2,116)	-	866	1,300
Building refurbishment	4,300	-	(2,537)	-	2,237	4,000
Business processes and systems	1,500	-	(1,347)	-	5,047	5,200
	8,350	-	(6,000)	-	8,150	10,500
Fixed asset reserve – representing the book value of unrestricted fixed assets	81,459	-	-	-	(2,313)	79,146
Total designated funds	89,809	-	(6,000)	-	5,837	89,646
Investment property	15,475	-	-	1,815	-	17,290
Unrestricted funds (free reserves)	13,469	101,523	(95,593)	2,192	(5,837)	15,754
Total unrestricted funds	118,753	101,523	(101,593)	4,007	-	122,690
TOTAL FUNDS	121,829	102,456	(102,751)	4,209	-	125,743

*The basis of the free reserves calculation was amended during the year to exclude the revaluation reserve. As a result the investment

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

24. Total funds, continued

property is excluded from free reserves entirely due to the long term nature of the asset. As investments in securities can be freely realised, unrestricted securities are included within the free reserves at their full valuation. The opening position in the table above has been restated for consistency to show the free reserves as calculated using the revised definition.

The movement in the revaluation reserve of £3.8m during the year from £12.2m to £16.0m, shown within unrestricted funds, represents the unrealised increase in 2016 in the fair value of the investment property of £1.8m and the unrealised gain on unrestricted securities of £2.0m.

Investment gains arise in respect of investments which are held as part of the restricted fund assets.

Transfers between funds primarily represent fixed assets purchased from restricted funds where the acquisition of the fixed assets has discharged the restriction and the assets are transferred to unrestricted funds.

Designated funds

Designated funds, which are, except for the fixed asset reserve, expected to be spent in 2017 and later, represent:

- Purchase and replacement of vehicles – ambulances and other medical vehicles renewal expenditure
- Building refurbishment – funding for the upkeep and enhancement of the charity's properties and infrastructure
- Business processes and systems – funding to upgrade IT infrastructure and systems.

Endowment funds

Endowment funds represent:

- G Holland Trust - provides income to be used by a specific unit of St John Ambulance in Kent
- R Luff benevolent fund - a capital fund established to support members in cases of hardship
- Doug Spence fund – a fund established for the benefit of St John Ambulance in Gloucestershire
- Other funds - comprise endowments held at local level to provide income to meet operational requirements.

25. Reconciliation of net income to net cash provided by operating activities

	2016 £m	2015 £m
Net income	3.9	2.4
Adjustments for:		
Net gain on disposal of tangible fixed assets	(3.1)	(3.6)
Gains on investments	(4.2)	(0.2)
Dividends, interest and rents from investments	(1.1)	(1.1)
Depreciation	3.8	3.9
(Increase)/decrease in stocks	(0.5)	0.1
Decrease/(increase) in debtors	1.1	(2.6)
Increase in creditors	0.9	2.0
Net cash provided by operating activities	0.8	0.9

26. Analysis of cash and cash equivalents

	2016 £m	2015 £m
Cash in hand	12.0	13.3
Notice deposits (less than three months)	1.5	-
Total cash and cash equivalents	13.5	13.3

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

27. Financial instruments

	2016 £m	2015 £m
Carrying amount of financial assets		
Measured at amortised cost (comprising trade debtors, cash and cash equivalents and current asset investments)	30.4	25.9
Instruments measured at fair value through Statement of Financial Activities (comprising investments)	15.8	13.2
	46.2	39.1
Carrying amount of financial liabilities		
Measured at amortised cost (comprising trade creditors, lease creditors, holiday pay and accruals)	16.0	14.0
	16.0	14.0

28. Subsidiary companies

The Priory controls the two companies listed below.

St John Ambulance, a charitable company, which is the main operating company of the Priory. St John Ambulance is a company limited by guarantee and does not have any share capital. The Priory has undertaken to contribute an amount not exceeding £1 on a winding up of St John Ambulance.

Support St John Limited, a non-charitable trading subsidiary, through which activities are conducted that are not compatible with the charitable status of St John Ambulance. Taxable profits are transferred to St John Ambulance under gift aid. Support St John Limited is a company limited by guarantee and does not have any share capital. St John Ambulance has undertaken to contribute an amount not exceeding £10 on a winding up of Support St John Limited. A summary of the results of the subsidiaries for 2015 and 2016, as well as the aggregate amount of their assets, liabilities and funds as at 31 December of each year included in the St John accounts, is shown below.

	St John Ambulance		Support St John Limited	
	2016 £m	2015 £m	2016 £m	2015 £m
Income	102.2	106.7	0.3	0.2
Expenditure	(102.5)	(104.5)	(0.3)	(0.2)
Operating (loss)/profit	(0.3)	2.2	-	-
Gift aid	-	-	-	-
Gains on investments	4.2	0.2	-	-
Retained profit	3.9	2.4	-	-
Assets	150.7	145.2	0.2	0.1
Liabilities	(25.0)	(23.4)	(0.2)	(0.1)
Funds	125.7	121.8	-	-

29. Associated charities

The Priory is associated with the Order and, together with the other priories throughout the world, provides financial support to the Order of an amount equal to the annual running costs of the Order in the proportion of the membership of the Priory relative to the memberships of all the priories. In 2016 St John Ambulance, on behalf of the Priory, contributed £0.3m (2015: £0.3m).

The Priory is also associated with the Eye Hospital. St John Ambulance, on behalf of the Priory, contributed £0.3m to the Eye Hospital in 2016 (2015: £0.4m).

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

30. Pension schemes

St John Ambulance

Pension arrangements

St John Ambulance participates in the Growth Plan, Unitised Ethical Plan ('UEP') and Flexible Retirement Plan ('FRP'), all of which are multi-employer pension plans provided by TPT Retirement Solutions (formerly called The Pensions Trust).

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

Membership of the UEP, the FRP or Growth Plan Series 4, all of which are defined contribution schemes, is made available to new employees. Employees, including those who are in the Growth Plan Series 1, 2 and 3, which are closed to new entrants, have the option to switch in the future to any of the three schemes that are currently available to new employees.

Membership and pension contributions

St John Ambulance paid contributions to all three plans at rates between 2% and 10% during the year. Members paid contributions generally between 1% and 5% during the year. Auto-enrolment of all employees into a pension plan was effected from 1 October 2013. As at the year end there were 1,550 employees (2015: 1,617) of St John Ambulance who were members of the available TPT Retirement Solutions plans, including 1,360 in the Growth Plan (2015: 1,394).

The Growth Plan Series 1, 2 and 3 are defined benefit schemes which provide benefits to some 1,300 non-associated participating employers. It is not possible in the normal course of events to identify the share of underlying Growth Plan assets and liabilities belonging to individual participating employers. Growth Plan assets are co-mingled for investment purposes and benefits are paid from the total Plan assets. Therefore the Growth Plan is accounted for as a defined contribution scheme.

The total pension contributions payable to TPT Retirement Solutions in relation to 2016, including employee contributions, were £2.7m (2015: £2.7m). The amount owing to TPT Retirement Solutions at 31 December 2016 was £0.2m (2015: £0.2m).

Actuarial valuations

The Growth Plan is funded and is not contracted out of the state scheme. The Plan Trustee commissions a full actuarial valuation of the Growth Plan every three years, with updates in between. The purpose of the actuarial valuation is to determine the funding position of the Growth Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as technical provisions.

A full actuarial valuation of the Growth Plan was performed at 30 September 2014 and updated as at 30 September 2015 by a professionally qualified actuary using the Projected Unit Method. The financial assumptions underlying the valuations were as follows:

	2015 update	2014 valuation	2013 update	2012 update	2011 valuation
	% pa	% pa	% pa	% pa	% pa
Investment return pre-retirement	3.6	4.2	4.6	4.1	4.9
Investment return post-retirement	2.7	3.3	4.1	3.6	4.2
Rate of price inflation – Retail Prices Index (RPI)	3.0	3.1	3.2	2.6	2.9
Rate of price inflation – Consumer Prices Index (CPI)	2.1	2.2	2.5	2.0	2.4

In determining the investment return assumptions the Trustee considered actuarial advice relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre- and post-retirement investment return assumptions, such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

30. Pension schemes, continued

The Scheme Actuary has prepared a full actuarial valuation as at 30 September 2014. The fair values of the Growth Plan's assets as at the valuation date of 30 September 2014 and the update date of 30 September 2015, as well as for previous years, are shown in the following table:

	2015 update £m	2014 valuation £m	2013 update £m	2012 update £m	2011 valuation £m
Assets	856.8	793.4	772.0	790.3	780.3
Technical provisions (past service liabilities)	(995.4)	(969.9)	(927.5)	(984.1)	(927.9)
Shortfall of assets compared to the value of liabilities	<u>(138.6)</u>	<u>(176.5)</u>	<u>(155.5)</u>	<u>(193.8)</u>	<u>(147.6)</u>
Funding level	86.1%	81.8%	83.2%	80.3%	84.1%

The actuarial valuation as at 30 September 2014 is the latest available. The next full actuarial valuation will be carried out as at 30 September 2017.

Deficit contributions

The full actuarial valuation for the Growth Plan scheme carried out at 30 September 2011 showed a funding shortfall of £148m. To eliminate this funding shortfall, the Trustee asked participating employers to pay additional contributions to the scheme. The total annual additional contributions payable by all participating employers was calculated at £13.9m, increasing by 3% per annum on 1 April each year, from 1 April 2013 to 31 March 2023.

In addition, a full actuarial valuation of the scheme was carried out at 30 September 2014. This valuation showed a funding shortfall of £177m and the required schedule of total additional contributions payable has subsequently been extended. The total annual additional contributions payable by all participating employers was calculated at £13.0m, increasing by 3% per annum on 1 April each year, from 1 April 2016 to 31 March 2028. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Growth Plan Series 1 and Series 2 scheme liabilities.

The additional contributions required from St John Ambulance have been levied at £338,000 per annum after 1 April 2015, increasing to £345,000 per annum payable from 1 April 2016. From 1 April 2017 the amount payable is £355,000 per annum. Payments continue, increasing at 3% per annum, until 31 March 2025.

Where the scheme is in deficit and the participating employer has agreed to a deficit funding arrangement, the employer recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions made under the agreement that relates to the deficit. The present value is calculated using the discount rate disclosed in the assumptions below. The unwinding of the discount rate is recognised as a finance cost. Further details of the liability are given in note 30.

Cessation of membership

The Growth Plan is classified as a 'last man standing' arrangement. In the event of a complete withdrawal from the Growth Plan by St John Ambulance or if TPT Retirement Solutions were wound-up, St John Ambulance would have a legal liability to pay a share of the accumulated deficit in the Growth Plan, as calculated on an annuity purchase basis. The current potential liability for St John Ambulance, based on the actuarial update at 30 September 2015, is estimated at £6.2m (30 September 2014: £6.8m). This potential liability is affected by changes in the fair value of the Growth Plan assets due to stock market fluctuations. There is no intention on the part of St John Ambulance to withdraw from the Growth Plan.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

31. Pension contributions liability

(i) Total pension contributions liability	2016	2015
	£m	£m
Pension contributions payable on salaries	0.2	0.2
Present value of provision relating to additional pension contributions	3.3	3.4
	3.5	3.6
Amounts falling due within one year (see note 18)	0.6	0.6
Amounts falling due after more than one year (see note 19)	2.9	3.0
	3.5	3.6

(ii) Reconciliation of opening and closing liabilities relating to additional pension contributions	2016	2015
	£m	£m
Provision at 1 January	3.4	2.9
Unwinding of the discount factor (interest expense)	0.1	0.1
Deficit contribution paid	(0.3)	(0.3)
Remeasurements – impact of any change in assumptions	0.1	(0.1)
Remeasurements – amendments to the contribution schedule	-	0.8
Provision at 31 December	3.3	3.4

(iii) Income and expenditure impact	2016	2015
	£m	£m
Interest expense	0.1	0.1
Remeasurements – impact of any change in assumptions	0.1	(0.1)
Remeasurements – amendments to the contribution schedule	-	0.8
Total cost recognised in Statement of Financial Activities	0.2	0.8

(iv) Assumptions	31 December 2016	31 December 2015	31 December 2014
	% per annum	% per annum	% per annum
Discount rate used	1.44	2.50	1.99

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

(v) Deficit contributions schedule

The following schedule details the deficit contributions agreed between St John Ambulance and the Growth Plan at each year end period:

Amounts payable in each future year as at the balance sheet date	2016	2015
	£000	£000
Year 1		
Year 2	353	346
Year 3	363	353
Year 4	374	363
Year 5	385	374
Year 6	397	385
Year 7	409	397
Year 8	421	409
Year 9	434	421
Year 10	334	434
	-	334

The Priory must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account (the unwinding of the discount rate as a finance cost in the period in which it arises).

It is these contributions that have been used to derive the balance sheet liability.

Notes to the consolidated accounts

for the year ended 31 December 2016, continued

32. Comparative results for the year ended 31 December 2015, by type of fund

	Note	Unrestricted Funds £m	Restricted and Endowment Funds £m	2015 Total £m
Income and endowments from:				
Income from donations and legacies	2	13.5	0.6	14.1
<i>Income from charitable activities:</i>				
Delivering first aid:				
First aid provision and youth development		7.4	0.1	7.5
Ambulance and transport services		24.9	-	24.9
Community support programmes		1.3	0.1	1.4
Equipping the public:				
Training		42.7	0.4	43.1
First aid products		9.0	-	9.0
Other charitable activities		0.1	-	0.1
Total income from charitable activities	3	85.4	0.6	86.0
Income from other trading activities	4	1.5	0.1	1.6
Investment income	5	1.1	-	1.1
<i>Other income</i>				
Net gain on disposal of assets		3.6	-	3.6
Other income		0.5	-	0.5
Total other income		4.1	-	4.1
TOTAL INCOME		105.6	1.3	106.9
Expenditure on:				
Total expenditure on raising funds	7	8.3	-	8.3
<i>Expenditure on charitable activities:</i>				
Delivering first aid:				
First aid provision and youth development		12.9	0.6	13.5
Ambulance and transport services		35.5	-	35.5
Community support programmes		3.3	0.1	3.4
Equipping the public:				
Training		32.5	0.8	33.3
First aid products		8.6	-	8.6
Other charitable activities		2.0	0.1	2.1
Total resources expended on charitable activities	7	94.8	1.6	96.4
TOTAL EXPENDITURE		103.1	1.6	104.7
Gains on investments	9	0.2	-	0.2
NET INCOME/(EXPENDITURE)		2.7	(0.3)	2.4
Transfers between funds		(0.1)	0.1	-
NET MOVEMENT IN FUNDS		2.6	(0.2)	2.4
Fund balances at 1 January 2015		116.1	3.3	119.4
FUND BALANCES AT 31 DECEMBER 2015	24	118.7	3.1	121.8

Royal Patrons, Priory Council of Trustees, Management and Principal Committees

ROYAL PATRONS

HM The Queen	Sovereign Head of the Order of St John
HRH The Duke of Gloucester	Grand Prior
HRH The Princess Royal	Commandant in Chief (Youth) St John Ambulance
HRH The Countess of Wessex	Grand President

PRIORY COUNCIL OF TRUSTEES

The names of the members of the Priory Council of trustees who have served since 1 January 2016 and the senior executives are set out below. Details of the key committees of the Priory Council are shown on page 57.

Mr R A R Green CBE, Prior*	1,3	Retired 23 June 2016
Surgeon Rear Admiral Lionel Jarvis CBE MB BS FRCR, Prior*	1,3	Appointed 24 June 2016
The Revd. Canon Paul Denby MBE JP DL, Chancellor*	1,3	Retired 31 January 2017
Mr M Messinger LVO QPM, Chancellor*	1,3	Appointed 1 February 2017
The Very Revd. Nicholas Frayling, Dean*	1	
Dr A Borg CBE, Librarian		
Mrs A Boyes		
Ms S Castell		Resigned 21 September 2016
Mr S Frost	2	
Sir David Hempleman-Adams KCVO OBE DL		
Mrs J Wright		

Priory Secretary
Dr G Maydon JP PhD

* Also a director of St John Ambulance.
1. Member of Nominations Committee
2. Member of Audit and Risk Committee
3. Member of Remuneration Committee

Royal Patrons, Priory trustees, management and principal committees, continued

AUDIT AND RISK COMMITTEE

Chairman – Ms A Jarvie CBE

Chairman – Mr P Holland CBE DL	retired 23 June 2016
Mr P S Bussy	
Mr B R England OBE DL	
Mr S Frost	
Mr J N Rose	
Mr D Springthorpe	
Ms V Storey	
Mr M W Willis	

REMUNERATION COMMITTEE

Chairman – Ms J Mee

The Revd. Canon Paul Denby MBE JP DL	retired 31 January 2017
Mrs A Cable MBE DL	appointed 1 March 2017
Mr R A R Green CBE	retired 23 June 2016
Surgeon Rear Admiral Lionel Jarvis CBE MB BS FRCR	appointed 24 June 2016
Mr M Messinger LVO QPM	
Mr D Springthorpe	appointed 1 January 2016

NOMINATIONS COMMITTEE

Chairman – Surgeon Rear Admiral Lionel Jarvis CBE MB BS FRCR

Chairman – Mr R A R Green CBE	appointed 24 June 2016
Mrs A Cable MBE DL	retired 23 June 2016
Mr J Dempster	
The Revd. Canon Paul Denby MBE JP DL	retired 31 January 2017
The Very Revd. Nicholas Frayling	
Ms S Lowndes-Jones	
Mrs E Mackinlay	
Mr M Messinger LVO QPM	appointed 1 February 2017
Ms S Morgan	
Mrs J Siggers	

SENIOR MANAGEMENT TEAM

Ms S A Killen, Chief Executive	
Ms R Boyce, Director of Quality and Standards,	appointed 3 October 2016
Mr S Conway, Director of Brand, Marketing, Communications and Fundraising	
Mr M Farmer, Director of First Aid Services,	appointed 1 April 2016
Mr S Foster, Director of People and Organisation	
Mr M Fox, Director of Training,	appointed 1 April 2016
Mr K Heydenrych, Director of Information Systems and Processes	
Mrs W Human, Director of Youth and Community,	until 31 March 2016
Ms J T Keaney, Director of Finance and Shared Services	
Dr G Maydon JP PhD, Company Secretary	
Ms F G McKenzie, Head of Audit and Assurance,	resigned 31 December 2016
Mr J Radford, Head of Strategy and Performance Measurement,	appointed 1 November 2016
Mr P Savage, Chief Operations Officer,	resigned 31 March 2016
Ms A Stevens, Head of Strategy and Business Performance,	until 31 May 2016
Mr A Weir, Head of Clinical Services,	until 5 October 2016

The structure of the senior management team changed during the year, following a reorganisation of the activities of the charity.

Principal places of business and advisers

The Priory of England and the Islands

St John's Gate
St John's Lane
Clerkenwell
London
EC1M 4DA
Telephone: 020 7324 4000
Website: www.stjohnengland.org.uk

St John Ambulance

27 St John's Lane
Clerkenwell
London
EC1M 4BU
Telephone: 020 7324 4000
Website: www.sja.org.uk

Support St John Limited

27 St John's Lane
Clerkenwell
London
EC1M 4BU

Auditor

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Investment managers

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Property advisers

Daniel Watney LLP, Chartered Surveyors
165 Fleet Street
London
EC4A 2DW

Solicitors

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Insurance brokers

Sydney Packett & Sons Limited
Salts Wharf
Ashley Lane
Shipley
BD17 8DB

Pension Fund

TPT Retirement Solutions
Verity House
6 Canal Wharf
Leeds
LS11 5BQ

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