



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 2007

Our purpose

To encourage and promote the relief of persons in sickness, distress, suffering or danger

Our mission

To enable people, properly trained, to save life and give first aid and care whenever needed, and to encourage the personal development of the young – for the faith and in the service of humanity





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Annual report and accounts

For the year ended 31 December 2007



Key facts and figures about St John

324,000

People we trained formally in first aid and health and safety

250,000

People we trained informally in first aid and health and safety

33,000

Number of courses we offered

124,000

Number of people we helped

844,000

Number of miles travelled

92

Number of Community First Responder schemes

13

Number of community projects

43,000

Total number of volunteers inclusive of all age groups

19,500

Young volunteers (aged 5-17)

5,600,000

Total hours of service provided by our volunteers

3,400

Number of members of the St John Fellowship

140,000

Total hours of service by members of the St John Fellowship

55

LINKS student groups at universities

1,132

Number of vehicles including ambulances, first aid units and support fleet

12

Number of boats

583

Number of properties

1,486

Number of staff

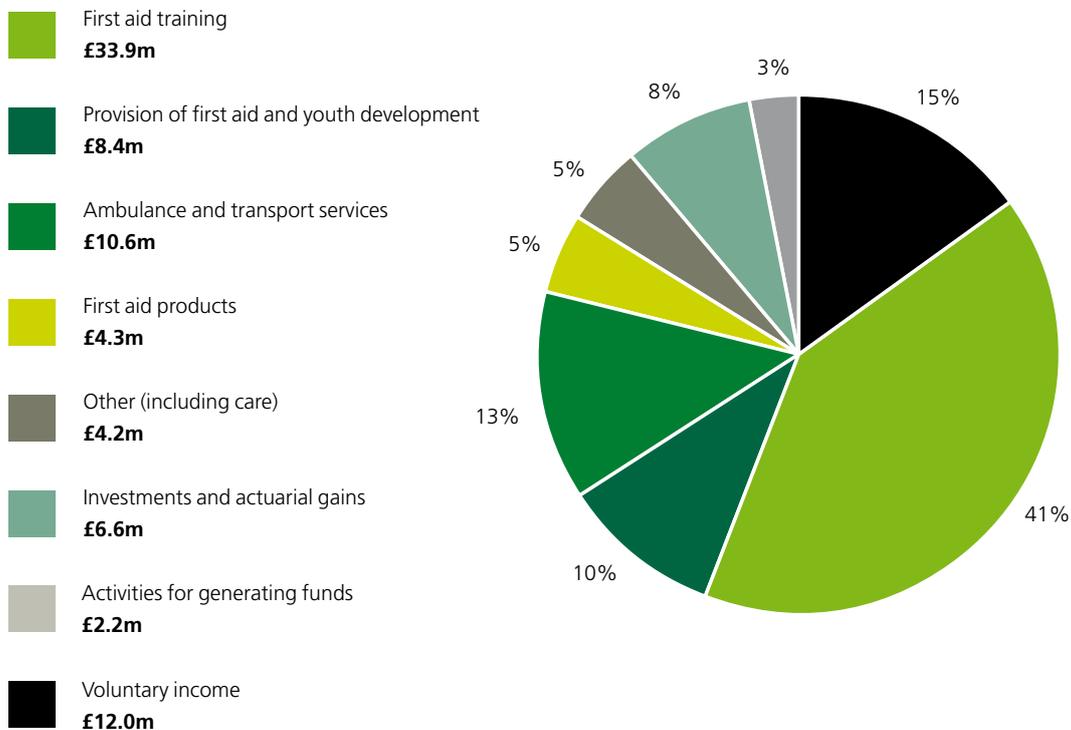
£70.8m

Total resources expended on charitable activities

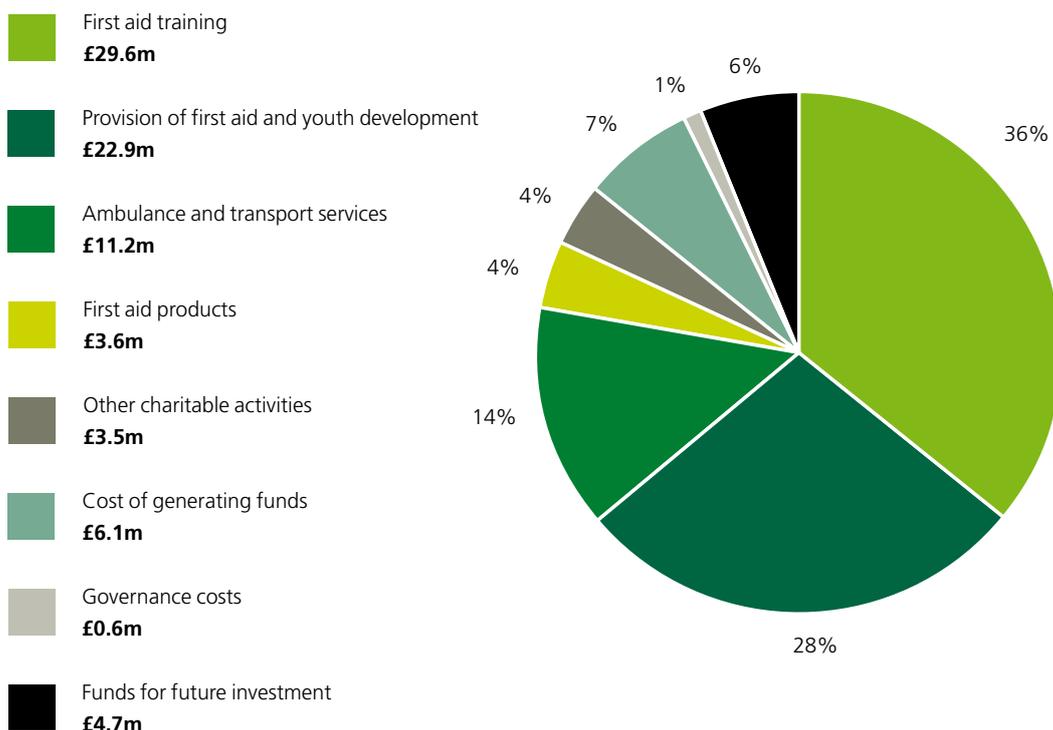
Annual report and accounts

For the year ended 31 December 2007

Where our money came from – £82.2m



Where our money has gone – £82.2m



Report of the trustees

For the year ended 31 December 2007

Introduction

The trustees present their annual report and the accounts for the year ended 31 December 2007. In preparing this report the trustees have complied with the Charities Act 1993 and the Statement of Recommended Practice – Accounting and Reporting by Charities – issued in 2005 ('the Charity SORP').

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 conducted through its wholly owned subsidiaries, St John Ambulance, The St John Ambulance & Rescue Service, St John Training Services Guernsey Limited and The St John Alderney Ambulance Service Limited. The group is collectively referred to as 'St John'.

St John operates on mainland England (including the Isle of Wight) and also in the Bailiwicks of Guernsey and Jersey together with the Crown Dependency of the Isle of Man. Units also operate within the UK armed forces bases situated in Cyprus and Germany.

Reference and administration information

The Priory is registered with the Charity Commission for England and Wales under number 1077265. The trustees and senior executives are listed on page 36. Principal places of business and professional advisers are given on page 39.

Structure, governance and management

Organisational structure

St John is one of eight autonomous priories that form The Most Venerable Order of The Hospital of St John of Jerusalem ('the Order'). St John 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 2006. The rules are also the St John constitutional document and are filed with the Charity Commission for England and Wales.

The legal structure of St John and its wholly-owned subsidiaries is as follows:

The operations of St John are mainly conducted through its charitable subsidiary, St John Ambulance, which is a registered charity (no. 1077265-1) and a company limited by guarantee (company no. 3866129). St John Ambulance is governed by its Memorandum and Articles of Association adopted on 20 October 1999. St John and St John Ambulance are organised into 40 counties, one region (London District) and three Crown Dependencies.

The St John Ambulance & Rescue Service is a registered charity on Guernsey and a company limited by guarantee (company no. 35886). It is responsible for providing the island's ambulance service, is grant funded by the States of Guernsey and is governed by its Memorandum and Articles of Association adopted on 19 October 1999.

The St John Alderney Ambulance Service Limited is a registered charity on Alderney and a company limited by guarantee (company no. 1385). It runs an ambulance service on the island and is governed by its Memorandum and Articles of Association adopted on 12 June 2001.

Support St John Limited is a company limited by guarantee (company no. 1181644). The company's principal activities are the sale and promotion of merchandise, sponsorship, marketing and the organisation of functions and events. Support St John Limited is governed by its Memorandum and Articles of Association adopted on 19 October 2000.

St John Training Services Guernsey Limited began trading on 1 January 2007, providing first aid training on the Bailiwick of Guernsey. It is a registered charity on Guernsey (company no. 46097). Its issued share capital is 50% owned by each of The St John Ambulance & Rescue Service and St John Ambulance.

The St John Fellowship, which is part of the Priory, is an association comprising former members of St John Ambulance who continue to play an active role in supporting St John Ambulance operationally, in fundraising and socially. Each county is supported by the St John Fellowship.

The Priory has a joint interest, together with the British Red Cross, in the St John and Red Cross Defence Medical Welfare Service (charity no. 1087210, company no. 4185635) ('DMWS'). DMWS's constitution allows for up to seven directors, two of whom may be nominated by the Priory. Only one such nominee was appointed to the DMWS board by the Priory during 2007. Therefore the company is not controlled by the Priory and is



Report of the trustees

For the year ended 31 December 2007, continued

not included within the consolidated accounts of the Priory.

The Commandery of Ards in Northern Ireland is reliant upon the Priory for support and guidance. However, in terms of company law, charity law and day-to-day activities, it is an independent entity, accountable to the laws of Northern Ireland, and is not controlled by the Priory and therefore is not included in the consolidated accounts of the Priory.

Governance

The governing bodies of the Priory are the Council of trustees and the Priory Chapter.

The Council of trustees

The trustees are the members of the Council and are legally responsible for the governance and management of the Priory. The trustees are also the directors of St John Ambulance. The trustees of the Priory were incorporated as a body on 10 November 1999, 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, under Part VII of the Charities Act 1993. Execution of documents is 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 Council consists of up to 21 trustees and is chaired by the Prior who is appointed by the Grand Prior of the Order on the recommendation of the Order's Reserved Appointments Panel. The Chapter approves the appointment of 12 trustees (three of whom are independent trustees) on the recommendation of the Nominations Committee. Five trustees are appointed by counties and represent regions within the Priory. Three other trustees may be co-opted by the Council. Each member is appointed for an initial period of three years, with provision for serving a further three year period.

A formal trustee induction procedure is in place. A full induction pack is provided to all new trustees containing key information and documents regarding the role of the 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

140,000
The total number of hours of service devoted by members of the St John Fellowship in 2007

county operations through contact with local St John county headquarters. Trustees can also access relevant external training courses relating either to their responsibilities as trustees or to the charity sector in general.

The Chapter

The Chapter consists of one representative from each of the 40 counties, London District and the three Crown Dependencies, members of the Council and a number of other ex officio members.

Management

The trustees, through the Council, are responsible for setting strategies and policies and for ensuring that these are implemented. The Council consults the Chapter as necessary in reaching its decisions. The Chapter is responsible for the appointment of the auditors and for approving the appointment of the Principal Priory Officers.

To assist with this work, the trustees during 2007 had 10 principal committees and the Chapter had one committee:



Report of the trustees

For the year ended 31 December 2007, continued

St John Ambulance Management Committee

The St John Ambulance Management Committee proposes and implements the trustees' strategies for St John Ambulance and monitors its performance. It is responsible for the setting of operational priorities. The committee meets monthly and is chaired by the Chief Commander.

Order Management Committee

The Order Management Committee proposes and implements the trustees' strategies for all Priory matters other than those directly relating to St John Ambulance. It is responsible for setting operational priorities relating to Priory matters and monitoring performance. The committee meets quarterly and is chaired by the Chancellor.

Audit Committee

The Audit Committee reviews the effectiveness of internal financial controls and risk management systems, the effectiveness of the internal audit function and the clarity and completeness of disclosures in the financial statements of St John. The committee meets at least three times a year and is chaired by a co-opted trustee.

Priory Review Committee

The current operational and governance structures of St John were established in October 1999 and are kept under regular review by the Priory Review Committee, which makes recommendations to the trustees. This committee meets as required and is chaired by the Prior.

Finance Committee

The Finance Committee, chaired by the Chief Treasurer, meets six times a year. Its primary responsibility is to advise the trustees on their duty to ensure that all financial assets of St John are properly safeguarded and managed and that funds are spent effectively and efficiently in the course of its activities. The committee also advises the trustees on the financial strategy of St John and of performance against the strategy.

Investment Committee

The Investment Committee, which meets four times a year, is primarily responsible for recommending to the trustees an overall investment strategy for St John, appointing and monitoring the performance of investment managers on their behalf and ensuring that St John complies with all statutory requirements in respect of investments. The committee's chairman is an external person with investment expertise.

Property Committee

The Property Committee is responsible for advising the trustees on the strategy for the effective use and occupation of the charitable and investment property, the management and maintenance of the existing property portfolio and controls over all property transactions. This committee meets four times a year and the chairman is a trustee with property expertise.

Remuneration Committee

The Remuneration Committee determines the remuneration and benefits of the Priory's Chief Executive, the Priory Secretary and the Director of Finance. The committee also considers the framework and broad policy for remuneration of all employees and the payment of expenses to employees and volunteers and makes recommendations as it sees fit. The committee

meets at least once a year and at other times as required. The chairman is a co-opted trustee.

IT Committee

The IT Committee advises the trustees in relation to their duty to ensure that all IT assets (including data) are properly safeguarded, and are effectively managed and used. This includes reviewing the technological aspects of strategies, development of IT strategy, and providing advice to the trustees on IT running and capital costs. The committee meets at least four times a year and is chaired by an external person with business systems experience.

Nominations Committee

The Nominations Committee is a committee of the Chapter and, in consultation with Council, makes recommendations for the appointments of Priory officers, trustees and chairmen of committees of the Council and the Chapter. It is chaired by the Prior. Recommendations for the appointment of the Prior and the Dean are made, when necessary, by a separate Reserved Appointments Panel.

Medical Board

The Medical Board is responsible for advising the trustees on medical, nursing and paramedic, risk management and associated legal matters. The Board meets four times a year and the chairman is a trustee with medical expertise.

The members of each committee are noted on pages 36 to 38. The terms of reference of the Nominations Committee are approved by the Chapter. Each other committee operates within terms of reference approved by the Council of trustees.

Authority to conduct the day-to-day operations of St John Ambulance is delegated by the trustees to the Chief Commander and Chief Executive and to County St John Councils. The Chief Commander is accountable to the trustees and is responsible for the efficient running of St John Ambulance with the help of the Assistant Chief Commanders, the Principal Priory Officers, the Chief Executive and their staff.

From 1 January 2008 authority to deal with other Priory matters has been delegated to the Priory Secretary.

Each County St John Council is responsible for carrying out the strategies and policies set by the trustees in its own area. The chair of each County St John Council is appointed by the Prior in consultation with the Chief Commander of St John Ambulance.

The National Headquarters provides central direction and support for policy and strategy implementation.

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 are in place at each of the counties in which St John operates and at the National Headquarters. These risk assessments are subject to continual review and monitoring.

The trustees take all appropriate steps to moderate and manage the inevitable operational risks to which volunteers, staff and the assets of St John are exposed. Examples of steps being taken include competence-based training for volunteers, assessments of the ambulance fleet and specialist medical equipment, insurance of third-party risks and monitoring of new legislative requirements. In particular, policies and procedures are in

Report of the trustees

For the year ended 31 December 2007, continued

place for child protection and officers have been appointed to monitor health and safety risks and to establish procedures to monitor the standards of first aid training, these being subject to regular inspection by external regulators.

The Internal Audit department carries out regular cyclical reviews, focussing on areas of greatest risk, which are designed to report on the effectiveness of the risk management process. The Internal Audit department reports its findings to the Audit Committee, which recommends remedial action where necessary.

Objectives and Activities

Objects and aims

The objects of St John 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. For this purpose one of the specific sub-objects of St John 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. Our vision for St John 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'.

Strategy

To enable St John to deliver its objects, its strategy is to deliver services of the highest quality and expand, where resources permit, in the following fields:

- Training of the public in first aid, with emphasis on those sections of the community where it is most needed
- Provision of first aid, pre-hospital care and assistance at public events and in local communities
- Development of young people, both through our St John youth programme and through first aid training in schools
- Provision of transport in support of the statutory ambulance service, especially in times of emergency and in circumstances where we can meet community need
- Delivery of care in selected areas where our distinctive skills can make a difference
- Broadening of our appeal to all sections of the community, not only to increase our adult and youth membership but also to promote diversity within St John and in the range of communities we serve.

In addition to service provision, St John will also:

- Campaign from time to time on issues directly relevant to our mission and vision
- Support the achievement of the Order of St John's worldwide objectives, in particular contributing substantially to the St John of Jerusalem Eye Hospital ('the Eye Hospital') in Jerusalem, which is an independent charity with its own board of trustees, and to the charitable work of St John associations in developing countries.

To enable the effective delivery and expansion of these services, the strategy encompasses the following underlying principles for the deployment of resources:

- To maximise the generation of funds through trading activities, particularly in commercial training but also commercial transport and sales of first aid and related products

- To link fundraising efforts more closely with charitable objectives
- To invest, within the framework of financial stability, to sustain the longer term success of St John in areas where greatest benefits will be delivered
- To deliver our charitable services mainly through the voluntary efforts of our members
- To continue with the development of an effective governance structure that ensures that legal obligations as a single national charity are fulfilled. Key policies will be implemented consistently across the country but the operational responsibility for delivery of services will remain as close as possible to those communities served.

St John owns a sizeable number of properties and vehicles, and these are key in helping to deliver its projects. We continue to invest in both existing and new properties, enabling St John not only to offer outstanding training centres but also to provide first-rate facilities for the volunteers who make it possible for the charity to carry out its mission.

Objectives for 2007

During 2007 key projects to assist in the delivery of our charitable objectives were planned to be:

- To continue with the expansion of first aid training and related extra-curricular activities for children and young people in schools
- To continue developing and broadening our range of commercial training courses
- To implement the Youth strategy devised during 2006
- To complete the review of Patient Transport Services, and to act upon the results of the review
- To launch the revised Corporate Identity, helping to create a fresh and modern image for the 21st century
- To complete the revision and rollout of the updated training course booking and administration system
- To instigate a fundraising appeal designed to attract funds for the redevelopment of the Order Museum
- To continue to review, and modify where necessary, the structure and governance arrangements of St John
- To consider the Charities Act 2006 and associated regulations and guidance to ensure that St John continues to comply fully with all their requirements and demonstrates the public benefit, which it delivers locally throughout the country.

5,600,000

The total number of hours of service provided by our volunteers in 2007

Report of the trustees

For the year ended 31 December 2007, continued

Achievements and performance

Significant progress was made in attaining our core strategic objectives for 2007. Notable successes are summarised over the following pages. Further details concerning our activities can be found in our 2007 Annual Review.

Looking outwards: A revised Corporate Identity

In April 2007 we launched our new Corporate Identity (CI), the culmination of a three-year project that will reap positive rewards in the way that we are seen by the general public.

Research commissioned in 2005 showed that while the public had positive feelings towards St John Ambulance, they didn't really know what we do. Hence the CI was designed to create a new image for the organisation, increase its visibility and improve public perception by presenting a more unified vision of what we represent and what we do.

A range of new materials has since been produced, from publications and posters to a re-design of the organisation's websites, vehicle livery, building signage, display stands for use at public events and insignia for uniforms. This more modern look has enabled the charity to convey its key messages in a cleaner, clearer and more coherent fashion that is easier for everyone to understand. All in all, the success of the new CI repositions St John Ambulance as a dynamic organisation for the 21st century.

First aid provision

Provision of first aid, pre-hospital care and assistance at public events or in local communities continues to be a core aim of St John Ambulance.

Notable successes in 2007 included giving support to ambulance trusts, providing extra capacity or specialist equipment during times of high demand or civil emergency, while helping the nation to have fun at major public events such as the London Marathon, Notting Hill Carnival, the Tour de France, Wimbledon, a variety of music festivals and county shows. A first aid event customer review was also carried out to establish how we can provide an even better service.

Our Community First Responder schemes also expanded, with new groups being set up in the Isle of Man and with the South Central Ambulance Service Trust in Buckinghamshire. Overall, during 2007 the total number of our volunteers decreased slightly to 43,000, while the number of hours of voluntary service given was 5.6 million, reduced from 5.7 million in 2006.

Supporting the statutory ambulance service

We provided vital aid during the summer floods of 2007, assisting with emergency calls, patient transfers and evacuations during the crisis. St John teams worked alongside the ambulance services, the army and others to bring people to safety when they had to be evacuated from their homes, followed by provision of 24-hour care, ambulances and equipment at a large number of rest centres. Our invaluable role in the rescue operations was recognised in extensive media coverage and a letter of thanks from Alan Johnson MP, Secretary of State for Health.

St John Ambulance volunteers were also called to support emergency personnel after a train derailment in Cumbria in February, with 17 vehicles, including four ambulances, and more than 50 trained volunteers being



Report of the trustees

For the year ended 31 December 2007, continued

made available to the North West Ambulance Service. Further examples of emergency support include attending the scene of a blaze in Lancashire in May, where we set up a rest centre for residents evicted from their homes after a local gym went up in flames, and providing treatment for smoke inhalation, shock and burns when a fire broke out in the early hours at Newquay's Penhallow Hotel.

Ongoing throughout 2007, a review of our Patient Transport Services led to a dedicated working party producing a report for the Council. The results of the report are being digested and will be acted upon in 2008. Work also began and will continue in 2008 on developing an Operational Strategy, helping our charitable work to meet the needs of the community now and in the future.



First aid training

Throughout 2007 we formally trained a total of 324,000 people, an increase of 20,000 on the preceding year. In order to reflect changes in first aid practice and workplace requirements, our training offerings expanded, with new commercial training courses launched including Anaphylaxis first aid and the British Safety Council Risk Assessment course.

In the youth arena, a re-examination of the School first aid training strategy started, and development of an Early Years foundation stage resource began. Inclusivity was a key consideration, too, as community first aid training resources in Mandarin, Polish, Arabic, Urdu and Braille were produced for the first time.

A more customer-focused approach to training also began in late 2007, with the introduction of the initial stages of our new Customer First programme. This represents a key stage towards one of our stated objectives for 2007, the revision and rollout of an updated training course booking and administration scheme. After completion of a new Management Information System, Customer First is set to be rolled out across the counties throughout 2008 and early 2009, allowing customers to organise training courses more easily, making bookings and managing their own accounts online.

In terms of facilities, in 2007 Buckinghamshire unveiled its new state-of-the-art training centre at Milton Keynes (officially opened by Her Majesty The Queen), offering a range of courses for businesses, educational establishments and local communities. In Hampshire, construction also began on a new Youth Training Centre for Farnborough.

Our Community first aid not-for-profit training courses were successfully promoted to the public via a national advertising campaign. The advertisements, launched in April, focused on inspiring people of all ages to learn first aid, reacting to a St John Ambulance survey of 2,000 adults, which showed that seven out of 10 people would not know what to do if they found a child in an accident scenario. The campaign comprised posters on bus shelters, in supermarkets and on London Underground platforms, plus national print advertising and regional promotional events.

Youth training

We continued our expansion of first aid training and related extra curricular activities for young people and children in schools, with a key youth training achievement for 2007 being the launch of the new Young first aider resource. September saw the implementation of this dynamic, flexible and comprehensive training package, developed for seven- to 16-year-olds and supported by a range of resources including a DVD, CD-ROM and multiple interactive activities.

Designed to make training young people in first aid as easy as possible, Young first aider is now being used in schools, by St John Ambulance Cadets and Badgers, the Cadet forces and many other youth organisations.

Youth strategy implementation

We are one of the country's largest youth organisations, developing skills and confidence in young people and helping them to fulfil their potential. The key success in this area in 2007 was the implementation of our new Youth strategy, a five year plan (2007-2012) for youth involvement and development.

Recognising that the external world of youth work is changing rapidly and that we need to ensure we keep up, the strategy was launched at London's Mansion House in November, with the Children's Commissioner for England delivering a keynote address praising the organisation for the way in which it

Report of the trustees

For the year ended 31 December 2007, continued

empowers young people. This bold, comprehensive strategy addresses the key issues facing St John Ambulance, including youth leader recruitment, leader training and the development of new types of youth units. With over 26,000 members under the age of 25, we have a strong history of youth participation and the Youth strategy enables us to build on that under the themes of Inspire, Involve and Achieve.

The new strategy ensures that members aged from five to 25 years old can have fun, make friends, help others and acquire new skills for life – from first aid to outdoor activities, learning about the law and preparing for all-important college or job interviews.

Community care

Community projects across the counties continued to thrive in 2007, with targeted schemes making a very real difference in selected areas of need. Care was delivered via a variety of initiatives, including rural support schemes, boat trips for the disabled, befriending, breakfast clubs, health for the homeless, a young carers programme and bathing services for the elderly.

Another key achievement is the ongoing success of our Cheshire young carers programme. This innovative scheme develops young people who care for others on a regular basis; often a relative who is disabled, abusing drink or drugs, or otherwise disadvantaged. In 2007, participants benefited from activities such as a holiday in Barcelona, family fun evenings, cinema and camping trips, rock climbing, a visit to a fire station and football coaching with Chester City Football Club.

Our Carer Support Programme provides vital support and skills training to the growing number of informal carers. Now running in Dorset, Somerset, Avon, Devon, Jersey and Northumbria, the scheme caters for unpaid informal

124,000

The number of people who received first aid care from our volunteers in 2007

carers who look after relatives or friends in the home, providing free training. Emergency and basic first aid skills are taught, based around accidents that are likely to occur in the home, along with safe handling and information about how to keep both the carer and the person they care for well.

Fundraising for the Order Museum

A significant achievement for the organisation has been finalising plans for the redevelopment of the Museum of the Order of St John and its galleries. A funding application has led to the Heritage Lottery Fund earmarking a grant of £1,533,000 for major refurbishment work at the historic site, while development funding of £128,800 has also been approved.

Throughout 2008, we are undertaking a campaign to raise matched funding in excess of £1.6 million in order to qualify for the Heritage Lottery



Report of the trustees

For the year ended 31 December 2007, continued



Fund monies, by approaching key philanthropic trusts, seeking large single donations from individuals and running major fundraising events each month.

When it reopens in 2010, the redeveloped Museum will be more attractive and accessible to visitors of all ages, taking in such features as a pavement museum, dedicated children's activities and an Archive and Education Centre, catering for school groups, older scholars and those wishing to trace their family history.

Public benefit

In previous years the trustees have stated in their Annual Report that they considered all the activities carried out by St John to have provided considerable benefit to the public. In January 2008 the Charity Commission issued general guidance, arising from the enactment of the Charities Act 2006, on the criteria it will use to determine whether or not a charity provides public benefit. Further sector-specific draft guidance was issued for consultation in March 2008. The Charity Commission has stated that final sector-specific guidance is expected to be issued by the end of 2008. Once all relevant guidance has been finalised by the Charity Commission the trustees will formally assess the charity's compliance with it.

£70.8m
Total resources
expended on charitable
activities in 2007

Financial Review

Responsibilities for the accounts and financial statements

The Charities Act 1993 and the rules of the Priory require the trustees to prepare financial statements for each financial year that provide a true and fair view of the state of affairs of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the charity at any time and which ensure that the financial statements comply with the applicable law and regulations.

The trustees are also responsible for safeguarding the assets of the charity and for their proper application under charity law, and thus for taking reasonable steps towards the detection and prevention of fraud.

Basis of accounting

The annual financial statements of St John, prepared using the Charity SORP issued in 2005, are attached to this report.

Annually the trustees review all St John's key accounting policies to ensure that they continue to be in accordance with the requirements of the Charity SORP and with best accounting practice. No significant changes have been made to these policies from those used in the year ended 31 December 2006 and the policies are detailed on pages 17 and 18.

Review of the year

Overall summary

The charity's incoming resources total £78.8m (2006: £73.7m), an increase of £5.1m. This is mainly attributable to higher first aid training income, together with increased income from the provision of first aid services. In addition to these increases, the charity also benefited from higher donations and gifts.

Total resources expended amounted to £77.5m (2006: £75.0m), an increase of £2.5m, mainly as a result of increased expenditure on the provision of first aid training, higher costs relating to the provision of first aid and youth development and increased fundraising costs. These areas of increased expenditure have been partially offset by decreased costs within ambulance and transport services.

As a result, the charity has net incoming resources before investment and actuarial gains for the year of £1.3m (2006: net outgoing resources of £1.3m).

Thanks to gains on investment assets of £2.3m, (2006: £3.9m) and an actuarial gain on St John Ambulance & Rescue Service's defined benefit pension scheme of £1.0m (2006: £0.8m), St John's total reserves have increased during the year by £4.7m (2006: £3.4m).

The balance sheet remains strong in terms of available reserves. Cash inflows during the year have been sufficient to fund net additions to fixed assets and to permit further additions to investments.

Voluntary income and fundraising

Although income is received from the provision of some of its services, St John also relies on the voluntary income that it receives.

Report of the trustees

For the year ended 31 December 2007, continued

Donations and gifts of £9.1m constitute 76% (2006: £7.3m, 70%) of all voluntary income with legacies of £2.1m providing an additional 17% (2006: £2.4m, 23%). In total, voluntary income in 2007 amounted to £12.0m compared with £10.4m in 2006.

The cost of generating this income, described as 'fundraising and publicity costs' in the financial statements, amounted to £5.1m in 2007, an increase of £1.3m from the 2006 total of £3.8m. This increase reflects some investment in activities that are likely to generate higher income in future years.

First aid training

Further funds are generated mainly through the supply of one of St John's primary objectives: first aid training. Income from this source totalled £33.9m (2006: £31.7m) against related expenditure of £29.6m (2006: £27.7m). However, the Learning and Skills Council ('LSC') no longer provides grants to fund such activities. LSC grants of £1.4m were reflected in first aid training income in 2006, with only £0.1m in 2007. The loss of grant income has been partially offset by an increase in income from training courses.

First aid training is not exclusively a commercial operation and it is the aim of St John Ambulance that education in first aid is available to all members of the community. The cost of first aid training includes the cost of courses provided to the community for no charge.

Provision of first aid and youth development

First aid operations are core to St John and cover, among other ventures, the more familiar public duties at public events such as sporting fixtures and the newer Community First Responder scheme. This area of activity also covers St John's extensive youth programme. Expenditure in this area outstrips income by a ratio of 2.7:1 and increased in the year by £0.9m to £22.9m (2006: £22.0m), the net cost for the year being £14.5m (2006: £14.5m).

Ambulance and transport services

One of our objectives is to help back up the statutory services and is highlighted by expenditure in this area of £11.2m (2006: £12.9m). Related income was £10.6m (2006: £10.4m). This downturn in activity has arisen as we have refrained from renewing contracts that were not providing an adequate return.

First aid products

St John Supplies, an internal department that coordinates purchasing for the whole of St John, is increasingly selling products to third parties. In 2007 its external income rose to £4.3m (2006: £4.1m) and its cost of sales reduced from £3.9m to £3.6m.

Community Support programmes

Resources expended on care rose to £2.3m (2006: £2.0m). Related income of £1.7m (2006: £1.7m) gave rise to a net cost of £0.6m (2006: £0.3m).

Other charitable activities

St John continues with its support for the work of the Eye Hospital and contributed £0.3m in 2007 (2006: £0.3m).

A further £0.3m was given in other international support (2006: £0.2m). The charity is not a grant making body and the amounts mentioned above represent donations.

324,000

The number of people we trained formally in first aid and health and safety during 2007

Other incoming resources

Other incoming resources, mainly arising as a result of gains on the disposal of operating properties, have decreased to £2.5m (2006: £2.6m).

Cash flows

The net cash inflow from operations for the year, together with the returns on our investments, was sufficient to finance all of our net expenditure on fixed assets. Capital expenditure, which is vital for sustaining the future of the organisation, reduced to £7.1m in 2007 (2006: £13.3m). Cash balances reduced in 2007 by £3.3m (2006: £3.6m) because during the year £3.8m of cash was transferred to the investment portfolio (2006: £1.0m of investments liquidated). Cash continues to be held in our internal pool, making better use of overall cash resources.

Subsidiary undertakings

St John's subsidiary companies continue to contribute to the charity's mission and their financial results are shown in note 30 to the consolidated accounts. Support St John Limited is a subsidiary trading company of St John Ambulance and gift-aided profit of £0.1m in 2007 (2006: £0.1m).

The St John Ambulance & Rescue Service, a registered charity, is based on Guernsey and achieved a surplus in 2007 of £0.9m (2006: £0.5m). The accumulated funds of £1.9m (2006: £1.0m) are restricted for the provision of services on Guernsey only.

The St John Alderney Ambulance Service, a registered charity, is based on Alderney. It incurred a loss in 2007 of £9,000 (2006: £15,000 loss). Accumulated funds of £161,000 (2006: £170,000) are restricted for the provision of services on Alderney only.

St John Training Services Guernsey Limited, whose principal activities are the provision of first aid and related training on the island of Guernsey, commenced trading on 1 January 2007. This is a wholly owned subsidiary of the Priory, which was created to provide a coordinated training service in the Bailiwick. The company achieved a surplus of £51,000 in its first year of trading. The accumulated funds of £51,000 are restricted for the provision of services on Guernsey only.

Investment policy and performance

St John Ambulance's investments are held as a means of earning revenue on designated funds until they are required and as a reserve against any future shortfall in income to ensure we can continue to deliver our charitable objectives.

Report of the trustees

For the year ended 31 December 2007, continued

Our investment objective for securities is to seek to outperform the benchmark over rolling three-year periods. The fund is managed on a total return basis with a low to medium risk in order to seek to maintain or enhance the real value of the fund.

The benchmark used in 2007 was as follows:

65%	FTSE All Share Index
27.5%	FTSE World ex UK
7.5%	Three month £ LIBID +2% p.a.

The Investment Committee regularly reviews the benchmark to ensure that it is still appropriate and, on a quarterly basis, the committee monitors the investment manager's performance against it. In 2007, our securities investment manager's (BlackRock Investment Management UK Limited) performance was above the benchmark, the total return for 2007 being 10.3% (2006: 12.6%) against the benchmark return of 6.7% (2006: 12.8%).

Reserves policy

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

Of the unrestricted funds of £147.6m (2006: £143.4m) held by St John, £82.8m (2006: £81.9m) represents the net book value of tangible fixed assets, £11.4m (2006: £8.8m) has been designated for other particular purposes and £10.2m (2006: £10.9m) represents unrealised gains on investments. The remainder is held as a general reserve to allow for any unforeseen falls in income or increases in expenditure.

Unrestricted funds are designated for the following purposes:

- A fixed asset reserve reflects funds already invested in buildings and equipment primarily to enable St John to carry out its charitable mission
- Enhancement funds are required for the replacement and maintenance of St John's fixed assets at a level whereby the charity can provide services in a professional and exemplary manner
- Funds for the development of our charitable mission, including the encouragement of recruitment and retention, training and youth activities within the membership of St John Ambulance and the expansion of St John's care projects throughout the counties
- 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's objectives.

It is intended that, with the exception of the fixed asset reserve, the expenditure for which these funds are designated will be incurred in the next few years.

19,500

The number of St John Ambulance volunteers under the age of 18

After removing these designated funds from unrestricted funds and excluding the revaluation reserve, the remaining unrestricted funds of £43.2m equate to approximately seven months' worth of expenditure (2006: £41.8m, seven months). The trustees have concluded that this level of reserves is adequate for the charity but is not excessive.

Plans for future periods

Looking forward to 2008 and beyond, St John will continue to ensure consistently high standards in first aid, care and training for the whole community. In furtherance of the St John strategy and in order to aid the delivery of our charitable objectives, the key activities in 2008 are:

- To continue the implementation of the Youth strategy, which offers a varied and balanced programme of activities that provides children and young people with developmental opportunities to help them achieve their full potential
- To expand first aid training into schools through the development and implementation of a new schools strategy
- To change the way in which we conduct commercial training, with a view to providing enhanced levels of service to customers whilst generating increased funds for charitable aims
- To further expand and develop our vital role within communities through encouraging volunteering, providing more community first aid training, and expanding the Community First Responder scheme into areas where we currently do not operate
- To assess the impact of, and react accordingly to, changes in the first aid at work regulatory regime
- To implement the recommendations of the St John Supplies strategic review, which includes investment in new systems, the relocation of warehouse facilities and enhancement of marketing capability.

Auditors

Insofar as each of the trustees of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditors in connection with preparing the audit report) of which the charity's auditors are unaware. Each trustee has taken all of the steps that they should have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors.

In gratitude

The trustees would like to convey their sincere thanks to the many volunteers and staff who have so generously given their support to St John. With their continuing support we look forward to enhancing the delivery of our charitable services within the community. We are particularly grateful for the outstanding contribution of Roger Holmes CB, who was Chief Executive until his retirement on 31 December 2007. We also extend a warm welcome to our new Chief Executive, Sue Killen.

This report was approved by the trustees on 5 June 2008 and signed on their behalf by:

Sir Brian Jenkins GBE, Prior

Independent auditors' 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 for the year ended 31 December 2007 (the 'financial statements'), which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes set out on pages 22 to 35. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 13.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993.

We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's affairs as at 31 December 2007 and of incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Horwath Clark Whitehill LLP

Chartered Accountants and Registered
Auditors
5 June 2008

St Bride's House
10 Salisbury Square
London EC4Y 8EH

Accounting policies

For the year ended 31 December 2007

The principal accounting policies, which have been applied consistently, are set out below.

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'** – St John Ambulance (charity no. 1077265) and its subsidiary company and three fellow subsidiaries in Guernsey and Alderney.
- 'The Eye Hospital'** – The St John of Jerusalem Eye Hospital (charity no. 1080185).
- 'SOFA'** – Statement of Financial Activities

a. Basis of preparation of accounts

The annual report and accounts for the year ended 31 December 2007 have been prepared in accordance with the rules of the Priory, in compliance with the Charities Act 1993, the Statement of Recommended Practice – Accounting and Reporting by Charities – issued in 2005 ('the Charity SORP') and with applicable accounting standards.

The accounts are consolidated on a line by line basis and cover the consolidated financial position and transactions of all companies controlled by the Priory (these are detailed in note 30), and include all St John counties in England and the Islands.

These accounts do not include any information relating to the following entities linked to the Order, because they are not controlled by the Priory:

- The Commandery of Ards, the commandery operationally linked to the Priory which operates in Northern Ireland or the company which it authorised to be formed, St John Ambulance (N.I.) (Inland Revenue charity number XR38256)
- 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 ('DMWS') (company no. 4185635, charity no. 1087210).

b. The accounts of the Priory

Assets directly owned by the Priory comprise heritage assets and the membership rights in St John Ambulance, The St John Ambulance & Rescue Service and The St John Alderney Ambulance Service Limited, three charitable companies limited by guarantee, which have no 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. Historical cost convention

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

d. Incoming resources

Income is generally recognised on a receivable basis and is reported gross of

related expenditure, where the amount is reasonably certain and when there is adequate certainty 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, certainty 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
- Investment income is accounted for on a receivable basis
- 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 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 various activities in furtherance of the charity's objects in the year in which they are received. Grants that provide core funding, or are of a general nature provided by government and charitable foundations, are recorded as voluntary income. Grants received specifically for goods and services to be provided as part of charitable activities are recorded against the activity to which they relate.

e. Resources expended

Expenditure is recognised when it is incurred and is reported gross of related income on the following bases:

- Cost of generating funds comprises the costs associated with attracting voluntary income and the costs of other income generation, for example the costs associated with the investment portfolio
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources
- Governance costs comprise those incurred as a result of constitutional and statutory requirements
- Support costs represent centrally incurred costs, principally relating to IT, Finance and Human Resources, which cannot be attributed to specific activities but provide the organisational infrastructure that enables those activities to take place.

f. Heritage assets

The Priory maintains and improves a valuable collection of treasures. The treasures form part of the historic collections that were gifted by the Order to the Priory and were subject to a specific term that the Priory may not dispose of these assets. They must be returned to the Order if the Priory no longer considers it appropriate to retain them. Consequently it is impracticable to attribute any value to these assets in the Priory's books and no depreciation is charged.

Accounting policies

For the year ended 31 December 2007, continued

Repairs and improvements to the collection of treasures are written off in the year in which they are incurred.

g. 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 £2,000 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 incoming resources.

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

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 seven years
Other vehicles and equipment	Three to seven 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.

h. Investments

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

Unlisted securities are stated at cost, amended for any permanent diminution in value.

Investment properties are stated at estimated market value as at the latest valuation date. They are revalued by an independent valuer every five years, 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.

Realised gains and losses on securities, calculated as the difference between the sales proceeds and their market 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.

i. Stocks

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

j. 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. Prior to October 2001, the Pensions Trust's Growth Plan was a defined benefit scheme.

The St John Ambulance & Rescue Service operates a separate defined benefit pension scheme. The disclosures required to be made under the provisions of FRS 17 are made in note 32. The assets of the defined benefit

scheme are held principally through a deferred annuity policy. Current and past service costs are included within resources expended as part of staff costs. The interest on pension scheme liabilities and the expected return on pension scheme assets are included in the SOFA as a net amount as part of the resources expended on ambulance and transport services. Actuarial gains and losses are shown separately in the SOFA.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained every three years and are updated at each balance sheet date. The resulting defined benefit pension scheme liability is shown separately on the face of the balance sheet.

k. Foreign currencies

Income is translated at the rate ruling when the transaction occurs and expenditure is translated at the average rate for the year. 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.

l. 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 in annual instalments over the term of the lease including any initial rent-free period.

m. Taxation

St John is able to partially recover Value Added Tax on purchases. Irrecoverable Value Added Tax is allocated to 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.

n. 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.

The trustees have designated funds which are unrestricted funds set aside for specific purposes. 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.

St John Ambulance has a revaluation reserve, which represents the net cumulative unrealised gains on revaluation of investments.

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

Consolidated Statement of Financial Activities

For the year ended 31 December 2007

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2007 Total £'000	2006 Total £'000
Incoming Resources						
Incoming resources from generated funds:						
Voluntary income	1	10,919	1,084	-	12,003	10,416
Activities for generating funds	2	2,193	16	-	2,209	2,170
Investment income	3	3,044	247	-	3,291	3,062
Total incoming resources from generated funds		16,156	1,347	-	17,503	15,648
Incoming resources from charitable activities:						
First aid training		33,698	193	-	33,891	31,700
Provision of first aid and youth development		8,210	158	-	8,368	7,524
Ambulance and transport services		8,234	2,367	-	10,601	10,418
First aid products		4,264	-	-	4,264	4,054
Community support programmes		1,554	134	-	1,688	1,691
Other charitable activities		29	2	-	31	54
Total incoming resources from charitable activities	4	55,989	2,854	-	58,843	55,441
Other incoming resources		2,449	20	-	2,469	2,591
Total incoming resources		74,594	4,221	-	78,815	73,680
Less:						
Costs of generating funds	7	(6,062)	(80)	-	(6,142)	(4,817)
Governance costs	7	(561)	-	-	(561)	(498)
Net incoming resources available for charitable application		67,971	4,141	-	72,112	68,365
Resources Expended On Charitable Activities						
First aid training		29,030	563	-	29,593	27,722
Provision of first aid and youth development		22,483	435	-	22,918	22,015
Ambulance and transport services		8,104	3,071	-	11,175	12,881
First aid products		3,621	-	-	3,621	3,869
Community support programmes		2,142	113	-	2,255	1,971
Other charitable activities		1,029	200	-	1,229	1,189
Total resources expended on charitable activities	7	66,409	4,382	-	70,791	69,647
Net incoming/(outgoing) resources before transfers		1,562	(241)	-	1,321	(1,282)
Comprises:						
Total incoming resources		74,594	4,221	-	78,815	73,680
Total resources expended	7	73,032	4,462	-	77,494	74,962
Net incoming/(outgoing) resources before transfers		1,562	(241)	-	1,321	(1,282)
Transfers between funds	25	461	(461)	-	-	-
Net incoming/(outgoing) resources before other recognised gains		2,023	(702)	-	1,321	(1,282)
Gains on investment assets	9	2,182	115	35	2,332	3,876
Actuarial gains on defined benefit pension scheme	32	-	1,032	-	1,032	791
NET MOVEMENT IN FUNDS		4,205	445	35	4,685	3,385
Fund balances at 1 January		143,420	7,970	583	151,973	148,588
FUND BALANCES AT 31 DECEMBER	23	147,625	8,415	618	156,658	151,973

All the above results are derived from continuing activities. All gains and losses in the year are included above, accordingly a statement of total realised gains and losses has not been prepared. The accounting policies on pages 17 and 18 and the notes on pages 22 to 35 form part of these accounts.

Consolidated Balance Sheet

As at 31 December 2007

	Note	£'000	2007 £'000	£'000	2006 £'000
FIXED ASSETS					
Heritage assets	12	-	-	-	-
Tangible fixed assets	13	83,480	83,480	82,565	82,565
			83,480		82,565
INVESTMENTS					
Securities	14	33,401		27,265	
Investment properties	15	13,660		13,660	
			47,061		40,925
			130,541		123,490
CURRENT ASSETS					
Stocks		3,024		2,235	
Debtors	16	10,043		8,359	
Cash at bank and in hand	17	25,195		28,526	
		38,262		39,120	
LIABILITIES					
Creditors falling due within one year	18	(11,785)		(9,272)	
NET CURRENT ASSETS			26,477		29,848
TOTAL ASSETS LESS CURRENT LIABILITIES			157,018		153,338
Creditors falling due after more than one year	19		(253)		(23)
NET ASSETS EXCLUDING PENSION LIABILITY			156,765		153,315
Pension scheme liability	32		(107)		(1,342)
NET ASSETS INCLUDING PENSION LIABILITY			156,658		151,973
FUNDS					
Unrestricted funds:					
Designated funds	24	94,208		90,713	
Revaluation reserve	24	10,162		10,947	
Other charitable funds		43,255		41,760	
Total unrestricted funds			147,625		143,420
Restricted income funds	25		8,415		7,970
Endowment funds	26		618		583
TOTAL FUNDS			156,658		151,973

The accounting policies on pages 17 and 18 and the notes on pages 22 to 35 form part of these accounts.

Approved by the trustees of the Priory of England and the Islands this 5th day of June 2008 and signed on their behalf by:

Sir Brian Jenkins GBE
Prior

Paul Bussy
Chief Treasurer

Consolidated Cash Flow Statement

For the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Net cash inflow from operating activities	27	2,778	2,180
Returns on investments and the servicing of finance			
Investment income		3,291	3,062
Income from endowments		-	9
		3,291	3,071
Capital expenditure and financial investment			
Proceeds from sale of investments		23,471	17,634
Purchases of investments		(27,275)	(16,637)
Proceeds from sale of tangible fixed assets		3,111	4,079
Purchases of tangible fixed assets		(7,126)	(13,262)
Decrease in pension scheme liability		(1,235)	(706)
		(9,054)	(8,892)
Financing			
Increase in obligations under finance leases		(346)	-
		(346)	-
Decrease in cash	28	(3,331)	(3,641)
Cash at 1 January		28,526	32,167
Cash at 31 December		25,195	28,526

The accounting policies on pages 17 and 18 and the notes on pages 22 to 35 form part of these accounts.

Notes to the Consolidated Accounts

For the year ended 31 December 2007

1. Voluntary income

	2007 £'000	2006 £'000
Donations and gifts	9,067	7,285
Legacies	2,085	2,416
Grants (refer note 5)	222	109
Other	629	606
	12,003	10,416

2. Activities for generating funds

	2007 £'000	2006 £'000
Rents	1,011	1,069
Merchandising	398	390
Fundraising events	800	711
	2,209	2,170

Merchandising income and costs comprised the following:

	Donated goods £'000	Sale of goods purchased through Support St John Ltd £'000	2007 Total £'000	2006 Total £'000
Merchandising income	101	297	398	390
Cost of sales	(18)	(178)	(196)	(208)
Overheads	(15)	(34)	(49)	(60)
Merchandising expenses (refer note 7)	(33)	(212)	(245)	(268)
Surplus	68	85	153	122

3. Investment income

	2007 £'000	2006 £'000
Bank interest	1,917	1,865
Dividends and interest	685	588
Rents	689	609
	3,291	3,062

4. Incoming resources from charitable activities

	Grants (refer note 5) £'000	Other income £'000	2007 Total £'000	2006 Total £'000
First aid training	102	33,789	33,891	31,700
Provision of first aid and youth development	388	7,980	8,368	7,524
Ambulance and transport services	1,860	8,741	10,601	10,418
First aid products	-	4,264	4,264	4,054
Community support programmes	234	1,454	1,688	1,691
Other charitable activities	-	31	31	54
	2,584	56,259	58,843	55,441

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

5. Grants receivable

	Charitable activities (refer note 4) £'000	Voluntary income (refer note 1) £'000	2007 Total £'000	2006 Total £'000
Learning and Skills Council	59	3	62	1,420
Grant for the provision of ambulance and rescue services on Guernsey	1,829	-	1,829	1,803
Grants from the Community Fund (refer note 6)	12	169	181	193
Other grants	684	50	734	410
	2,584	222	2,806	3,826

6. Individual grants receivable disclosure

The grants shown below, which are included in note 5, are required by the donor to be individually disclosed.

	1 Jan 2007 £'000	Incoming resources £'000	Outgoing resources £'000	31 Dec 2007 £'000
Grants from the Community Fund				
South African AIDS project	11	118	(114)	15
Suffolk – first aid unit	15	1	(13)	3
Sussex – Hastings homeless project	29	50	(31)	48
Cambridge – Waterwing project	45	-	(45)	-
Cambridge – Crusader ambulance	-	12	(12)	-
	100	181	(215)	66
Department of Health – EngAge	14	-	(14)	-

7. Resources expended

	Direct staff costs £'000	Depreciation £'000	Direct costs £'000	Other costs £'000	Support costs (refer note 8) £'000	2007 Total £'000	2006 Total £'000
Cost of generating funds							
Fundraising and publicity costs	1,208	157	2,819	709	198	5,091	3,789
Merchandising	20	-	196	29	-	245	268
Investment costs	-	-	95	711	-	806	760
	1,228	157	3,110	1,449	198	6,142	4,817
Governance costs	308	-	-	253	-	561	498
Charitable activities							
First aid training	16,754	902	5,172	4,695	2,070	29,593	27,722
Provision of first aid and youth development	5,591	3,577	5,585	6,834	1,331	22,918	22,015
Ambulance and transport services	6,315	389	3,223	944	304	11,175	12,881
First aid products	450	55	2,552	178	386	3,621	3,869
Community support programmes	1,371	127	242	276	239	2,255	1,971
Other charitable activities	243	-	748	238	-	1,229	1,189
Total charitable activities	30,724	5,050	17,522	13,165	4,330	70,791	69,647
Total resources expended	32,260	5,207	20,632	14,867	4,528	77,494	74,962

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

7. Resources expended, continued

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, IT, communication and establishment, which have been allocated to activity cost categories as described in the accounting policies.

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

	2007 £'000	2006 £'000
The above costs include:		
Auditors' remuneration:		
Audit of these financial statements	58	56
Taxation advice	46	25
Other audit costs, including local audits	10	-
Operating lease rentals:		
Land and buildings	507	776
Vehicles and equipment	577	873
Finance lease interest	29	1

8. Analysis of support costs

Total resources expended (see note 7) include all support costs, which comprise:

	Management £'000	Human Resources £'000	Finance £'000	Information Technology £'000	2007 Total £'000	2006 Total £'000
Fundraising and publicity costs	22	74	61	41	198	157
First aid training	190	177	616	1,087	2,070	1,741
Provision of first aid and youth development	156	101	504	570	1,331	1,383
Ambulance and transport services	44	20	144	96	304	563
First aid products	56	25	183	122	386	169
Community support programmes	14	23	47	155	239	304
Other charitable activities	-	-	-	-	-	48
	482	420	1,555	2,071	4,528	4,365

Management and finance costs have been allocated on a basis consistent with the use of resources.

Human resources and information technology – 50% of costs are allocated per capita to staff at National Headquarters. The balance is allocated on a basis consistent with the use of resources.

9. Net gains on investment assets

	2007 £'000	2006 £'000
Realised gains on investment assets	2,746	1,736
Unrealised (loss)/gain on investment assets	(414)	2,140
	2,332	3,876

These net gains comprise:

	2007 £'000	2006 £'000
Net gains on securities (refer note 14)	2,332	2,391
Net gains on investment properties (refer note 15)	-	1,485
	2,332	3,876

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

10. Employee information

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

	2007 Number	2006 Number
Staff numbers		
Charitable activities	1,466	1,503
Cost of generating funds	13	23
Governance	7	7
	1,486	1,533

	2007 £'000	2006 £'000
Total staff costs		
Salaries, wages and benefits in kind	30,741	30,965
Social security costs	2,557	2,462
Pension and death benefits	1,313	1,501
	34,611	34,928

For the purpose of analysis of resources expended (refer note 7), total staff costs are allocated as follows:

	2007 £'000
Direct staff costs	32,260
Support costs	2,351
	34,611

Emoluments of employees

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

	2007 Number	2006 Number
£60,001 - £70,000	5	6
£70,001 - £80,000	4	2
£80,001 - £90,000	1	-
£90,001 - £100,000	2	1

During the year, pension contributions to a defined contribution scheme on behalf of these staff amounted to approximately £63,000 (2006: £44,000). Further details of the pension schemes in which St John participates are set out in note 32.

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.

In 2007 a system was put in place to identify all such expenses, whether reimbursed to trustees or paid direct by St John Ambulance.

Previously, amounts paid direct by St John Ambulance were not identified. The total of expenses (relating principally to travel, subsistence and accommodation) in 2007 was £58,000 (2006: £39,000) relating to 23 (2006: 23) trustees.

12. Heritage assets

The Priory's objects include the establishment and maintenance of libraries and museums and the collection of works of art and objects of historical interest relating to the Order. The Priory's heritage assets comprise the historic buildings in Clerkenwell and the historic collections and museum therein. The historic buildings include the Grand Priory Church, which sits upon a 12th century Norman crypt and the 16th century St John's Gate. The collections include artefacts from the Order dating back to the 11th century

and form a unique record of the history of the Order and St John Ambulance. These were gifted to the Priory by the Order on 25 October 1999 subject to a specific term that the Priory may not dispose of these assets; they must be returned to the Order if the Priory no longer considers it appropriate to retain them. There was no consideration given by the Priory for assets transferred, which were not considered to have a market value at that time.

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

13. Tangible fixed assets

	Freehold Property £'000	Long Leasehold Property £'000	Short Leasehold Property £'000	Vehicles & Equipment £'000	Total £'000
Cost					
At 1 January 2007	63,866	11,467	827	35,741	111,901
Additions	3,190	285	57	3,594	7,126
Reclassifications	(1,870)	2,095	59	(284)	-
Disposals	(1,098)	(72)	(63)	(928)	(2,161)
At 31 December 2007	64,088	13,775	880	38,123	116,866
Accumulated depreciation					
At 1 January 2007	3,899	1,029	417	23,991	29,336
Charge for year	735	281	62	4,129	5,207
Reclassifications	(7)	14	28	(35)	-
Disposals	(69)	(5)	(63)	(1,020)	(1,157)
At 31 December 2007	4,558	1,319	444	27,065	33,386
Net book value 31 December 2007	59,530	12,456	436	11,058	83,480
Net book value 31 December 2006	59,967	10,438	410	11,750	82,565

The net book value of assets that are subject to finance leases at 31 December 2007 is £337,000 (2006: £17,000).

14. Investments – securities

	2007 £'000	2006 £'000
Analysis of investments at 31 December by category of holding		
Equities	20,486	16,400
Fixed interest securities	377	345
Unit trusts	11,883	10,153
Total listed investments	32,746	26,898
Unlisted investments	-	13
Cash held as part of the portfolio	655	354
	33,401	27,265
Analysis of investments at 31 December by location		
Investments in the UK	25,343	20,423
Investments outside the UK	8,058	6,842
	33,401	27,265
Analysis of movements in the securities portfolio		
Market value at 1 January	27,265	25,871
Additions at cost	27,275	16,637
Book value of disposals	(20,725)	(15,898)
Net unrealised (losses)/gains	(414)	655
Market value at 31 December	33,401	27,265

A realised gain, net of sale costs, of £2,746,000 (2006: £1,736,000) arose from disposals and has been included in the SOFA as part of the total gains on investment assets.

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

The value of the following investments represented more than 5% of the total market value as at 31 December 2007:

	Number	Market value £'000
BlackRock Global Enhanced Index Fund A Units (10.0%)	27,784	3,282
Cazenove Absolute Return Trust for Charities Common Investment Fund Units (7.6%)	17,050	2,494

15. Investment properties

	2007 £'000	2006 £'000
Analysis of movements in investment properties		
Market value at 1 January	13,660	12,175
Unrealised revaluation gain (refer note 9)	-	1,485
Market value at 31 December	13,660	13,660

St John Ambulance has one investment property, which is located adjacent to St John's Gate, the historical home of the Order of St John. This investment property also houses the National Headquarters of St John Ambulance. Although this property has mixed use, it is classed as an investment property because the majority of it is let to third parties at market rents and it is not considered practical to apportion its cost and

valuation between tangible fixed assets and investment property.

The property was valued at £13.660m as at 31 December 2006 by Daniel Watney, Chartered Surveyors, a firm of independent valuers.

The basis of valuation is market value as defined by the RICS Appraisal & Valuation Standards, Fifth Edition. There has been no material change in valuation since that date.

16. Debtors

	2007 £'000	2006 £'000
Trade debtors	7,621	6,595
Legacies receivable	722	1,073
Other debtors	310	95
Prepayments and accrued income	1,390	596
	10,043	8,359

17. Cash at bank and in hand

Cash at bank and in hand includes monies held in interest bearing bank accounts.

18. Creditors falling due within one year

	2007 £'000	2006 £'000
Trade creditors	2,880	1,563
Obligations under finance leases	117	1
Pension contributions	107	53
Taxes and social security	1,478	1,126
Other creditors	243	157
Accruals	2,482	2,426
Deferred course fees (refer note 20)	3,918	3,633
Deferred subscriptions income (refer note 20)	189	253
Other deferred income (refer note 20)	371	60
	11,785	9,272

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

19. Creditors falling due after more than one year

Amounts falling due after more than one year represent finance leases payable in between two and five years.

20. Deferred income

	Course fees £'000	Subscription income £'000	Other £'000
Balance at 1 January 2007	3,633	253	60
Amount released to incoming resources	(3,633)	(253)	(60)
Amount deferred in the year	3,918	189	371
Balance at 31 December 2007	3,918	189	371

21. Financial commitments

At 31 December annual commitments under operating leases were as follows:

	Land & Buildings £'000	Vehicles & Equipment £'000	2007 Total £'000	Land & Buildings £'000	Vehicles & Equipment £'000	2006 Total £'000
Under one year	251	88	339	71	30	101
Two to five years	214	765	979	691	1,106	1,797
Over five years	75	7	82	159	23	182
	540	860	1,400	921	1,159	2,080

22. Capital commitments

At 31 December capital commitments contracted for amounted to:

	2007 £'000	2006 £'000
Land and buildings	3,346	1,637
Vehicles and equipment	660	628
	4,006	2,265

Capital commitments primarily relate to the purchase of property and outstanding orders for ambulances.

23. Analysis of total funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2007 £'000	2006 £'000
Analysis by type of asset and liability					
Tangible fixed assets	82,808	672	-	83,480	82,565
Securities	31,166	1,637	598	33,401	27,265
Investment properties	13,660	-	-	13,660	13,660
Net current assets	20,244	6,213	20	26,477	29,848
Creditors falling due after more than one year	(253)	-	-	(253)	(23)
Pension scheme liability	-	(107)	-	(107)	(1,342)
	147,625	8,415	618	156,658	151,973

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

24. Designated funds

Designated funds at 31 December have been set aside by the trustees for specific purposes, as follows:

	1 Jan 2007 £'000	Outgoing resources £'000	Transfers £'000	Unrealised loss £'000	31 Dec 2007 £'000
Fixed asset reserve – representing the book value of all unrestricted fixed assets	81,925	-	883	-	82,808
Enhancement of training centres and other facilities	2,062	(3,503)	3,741	-	2,300
Purchase and replacement of ambulances and other medical vehicles	3,495	(2,601)	4,206	-	5,100
Development of charitable mission, including retention and recruitment of volunteers, training, transport services, community care and youth activities	977	(610)	33	-	400
Building repairs and maintenance	1,805	(1,729)	2,124	-	2,200
Business processes and systems, including IT	449	(449)	1,400	-	1,400
	90,713	(8,892)	12,387	-	94,208
Revaluation reserve – unrealised surpluses on unrestricted investments	10,947	-	(371)	(414)	10,162
	101,660	(8,892)	12,016	(414)	104,370

Transfers represent amounts transferred from other unrestricted charitable funds.

The total cumulative revaluation reserve included in the balance sheet comprises:

	31 Dec 2007 £'000	Property 31 Dec 2006 £'000	31 Dec 2007 £'000	Securities 31 Dec 2006 £'000	31 Dec 2007 £'000	Total 31 Dec 2006 £'000
Year end valuation (refer notes 14 and 15)	13,660	13,660	33,401	27,265	47,061	40,925
Cost	(8,301)	(8,301)	(28,268)	(21,677)	(36,569)	(29,978)
Revaluation reserve	5,359	5,359	5,133	5,588	10,492	10,947

25. Restricted income funds

	1 Jan 2007 £'000	Incoming resources £'000	Outgoing resources £'000	Gains £'000	Transfers and reallocations £'000	31 Dec 2007 £'000
Airwing travelling fellowships	209	5	(29)	17	-	202
Building purchases and maintenance	783	103	(28)	9	(18)	849
Community care	415	104	(113)	-	(133)	273
Community Fund	100	181	(159)	-	(56)	66
Grants from public bodies	796	62	(259)	-	540	1,139
Local and sundry funds	2,561	35	(230)	75	(548)	1,893
Medical equipment purchases	210	177	(60)	-	(125)	202
Medical vehicle purchases and maintenance	1,069	86	(19)	-	(118)	1,018
R Luff benevolent fund	123	42	(18)	9	-	156
Training funds	90	52	(36)	-	(4)	102
Volunteer development and welfare	488	226	(300)	5	1	420
	6,844	1,073	(1,251)	115	(461)	6,320
The St John Alderney Ambulance Service Limited	171	86	(96)	-	-	161
The St John Ambulance & Rescue Service	955	2,883	(2,987)	1,032	-	1,883
St John Training Services Guernsey Ltd	-	179	(128)	-	-	51
	7,970	4,221	(4,462)	1,147	(461)	8,415

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

25. Restricted income funds, continued

These funds represent:

- Airwing travelling fellowships – fund established to provide scholarships to assist researchers working in the general field of organ transplants.
- Building purchases and maintenance – funds specifically raised for capital purchases of buildings used in furtherance of St John's charitable objectives and towards the maintenance of existing buildings.
- Community care – donations given for specific community care projects such as homeless care schemes.
- Community Fund – financial support for various projects (refer note 6).
- Grants from public bodies – principally support for training activities.
- Local and sundry funds – funds administered by local units for meeting the costs of specific activities.
- Medical equipment purchases – funds raised for the purchase and maintenance of medical equipment.
- Medical vehicle purchases and maintenance – funds raised for purchase of ambulances and other transport vehicles, and for the maintenance of existing vehicles.
- R Luff benevolent fund – a fund established to support members in cases of hardship and difficulties.
- Training funds – funds to support and develop training programmes and activities.
- Volunteer development and welfare – comprises funds for youth, fellowship and volunteer activities.
- The St John Alderney Ambulance Service Limited – funds restricted for the use of The St John Alderney Ambulance Service Limited on Alderney.
- The St John Ambulance & Rescue Service – funds restricted for the operation of The St John Ambulance & Rescue Service on Guernsey.
- St John Training Services Guernsey Limited – funds restricted for the operation of St John Training Services Guernsey Limited on Guernsey.

Gains/losses arise in respect of investments that are held as part of the restricted funds 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 other unrestricted charitable funds.

26. Endowment funds

	1 Jan 2007 £'000	Incoming resources £'000	Outgoing resources £'000	Gains/ (losses) £'000	31 Dec 2007 £'000
G Holland Trust	109	-	-	1	110
R Luff benevolent fund	447	-	-	34	481
Other funds	27	-	-	-	27
	583	-	-	35	618

These funds represent:

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

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

27. Reconciliation of net incoming resources to net cash inflow from operating activities

	2007 £'000	2006 £'000
Net incoming/(outgoing) resources	1,321	(1,282)
Net gain on disposal of tangible fixed assets	(2,107)	(2,530)
Investment income	(3,291)	(3,062)
Income from endowment funds	-	(9)
Depreciation	5,207	5,408
Actuarial gain on pension scheme	1,032	791
(Increase)/decrease in stocks	(789)	456
(Increase)/decrease in debtors	(1,684)	2,436
Increase/(decrease) in creditors	3,089	(28)
Net cash inflow from operating activities	2,778	2,180

28. Reconciliation of net cash flow to movement in net funds

	2007 £'000	2006 £'000
Decrease in cash during the year	(3,331)	(3,641)
Cash outflow from lease finance capital repayments	(346)	-
Change in net debt and movement in net funds	(3,677)	(3,641)
Net funds at 1 January	28,502	32,143
Net funds at 31 December (refer note 29)	24,825	28,502

29. Analysis of net funds

	1 Jan 2007 £'000	Cash flows £'000	31 Dec 2007 £'000
Cash at bank and in hand	28,526	(3,331)	25,195
Finance leases falling due within one year	(1)	(116)	(117)
Finance leases falling due after more than one year	(23)	(230)	(253)
	28,502	(3,677)	24,825

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

30. Subsidiary companies

The Priory controls the companies listed below:

- St John Ambulance, a charitable company, which is the main operating company of the Priory.
- 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.
- The St John Ambulance & Rescue Service, a charitable company which carries out certain of the Priory's activities on Guernsey.
- St John Training Services Guernsey Limited, a charitable company, which carries out first aid training in Guernsey.
- The St John Alderney Ambulance Service Limited, a charitable company, which carries out the Priory's activities on Alderney.

A summary of the results of the subsidiaries for 2007 and 2006, and the aggregate amount of their assets, liabilities and funds as at 31 December of each year, is shown below.

	St John Ambulance Limited		Support St John Limited		The St John Ambulance & Rescue Service		St John Training Services Guernsey Limited		The St John Alderney Ambulance Service Limited	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000	2007 £'000	2006 £'000	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Income	75,174	70,269	386	372	2,883	2,763	179	-	86	75
Expenditure	(73,948)	(71,542)	(240)	(224)	(2,988)	(3,006)	(128)	-	(95)	(90)
Operating profit/(loss)	1,226	(1,273)	146	148	(105)	(243)	51	-	(9)	(15)
Gift Aid	146	148	(146)	(148)	-	-	-	-	-	-
Gains on investments	2,332	3,876	-	-	-	-	-	-	-	-
Actuarial gain on pension scheme	-	-	-	-	1,032	791	-	-	-	-
Retained profit	3,704	2,751	-	-	927	548	51	-	(9)	(15)
Assets	165,949	159,597	556	373	2,365	2,653	74	-	183	185
Liabilities	(11,531)	(8,883)	(556)	(373)	(482)	(1,697)	(23)	-	(22)	(15)
Funds	154,418	150,714	-	-	1,883	956	51	-	161	170

Advantage has been taken of the exemption given by FRS8, Related Party Disclosures, from disclosing transactions and balances with subsidiaries.

31. 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 2007 St John Ambulance, on behalf of the Priory, contributed £159,000 (2006: £149,000).

The Priory also makes donations to other St John priories and associations. In 2007 St John Ambulance, on behalf of the Priory, contributed £109,000 (2006: £85,000) to other priories.

The Priory is also associated with the Eye Hospital. St John Ambulance, on behalf of the Priory, contributed £333,000 to the Eye Hospital in 2007 (2006: £322,000).

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

32. Pension schemes

St John Ambulance Pension Scheme

St John Ambulance participates in the Pensions Trust's Growth Plan. The Growth Plan is a multi-employer pension plan. 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.

The Growth Plan is funded and is not contracted out of the state scheme. The trustee commissions a full actuarial valuation of the Plan every 3 years, with updates in between.

During 2007, members of the Growth Plan were given the option to transfer to another Pensions Trust scheme, the Flexible Retirement Plan. Membership of the Flexible Retirement Plan, which is a defined contribution scheme, is made available to new employees, while employees in the Growth Plan have the option to switch in the future. St John Ambulance paid contributions at rates between 6% and 10% during the accounting period. Members paid contributions between 3% and 5% during the accounting period. As at the year end there were 435 employees of St John Ambulance who were members of the available Pensions Trust plans.

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. Accordingly, the accounting charge for the period under FRS17 represents the employer contributions payable. The amount owing to the Pensions Trust at 31 December 2007 was £107,000 (2006: £53,000).

A full actuarial valuation of the Growth Plan was performed at

30 September 2005, and updated to 30 September 2006, by a professionally qualified actuary. The financial assumptions underlying the update valuation, which were unchanged from the 30 September 2005 valuation, were as follows:

	%pa
Investment return pre-retirement	6.6
Investment return post-retirement	4.5
Bonuses on accrued benefits	0.0
Rate of price inflation	2.5

As at 30 September 2006, based on the valuation assumptions, the market value of the Growth Plan's assets was £748 million (2005: £675 million) and the Growth Plan's technical provisions (ie past service liabilities) were £746 million (2005: £704 million). The valuation therefore revealed a surplus of assets compared with the value of liabilities of £2 million (2005: shortfall of £29 million), which is equivalent to a past service funding level of 100% (2005: 96%).

In the event of a complete withdrawal from the Growth Plan by St John Ambulance or if the Pensions Trust was wound up, St John Ambulance would have a liability to pay a share of the accumulated deficit in the Growth Plan, as calculated on a buyout basis. The current potential liability for St John Ambulance, based on the actuarial calculations carried out as part of the update at 30 September 2006, is estimated at £3.9 million (2006: £4.8 million).

The actuarial update as at 30 September 2006 is the latest available. The next full actuarial valuation will be carried out as at 30 September 2008.

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

32. Pension schemes, continued

The St John Ambulance & Rescue Service Pension Scheme

The St John Ambulance & Rescue Service operates a defined benefit pension scheme in the Channel Islands, The St John Ambulance & Rescue Service LBG Pension Scheme. The assets of the scheme are held through a unitised with profits policy with Norwich Union. A full actuarial valuation

of the scheme was carried out as at 1 January 2006, and updated to 31 December 2007, by a qualified independent actuary. The projected future deficit as at 31 December 2007 is £107,000 (2006: £1,342,000).

The following information relates to The St John Ambulance & Rescue Service projected deficit in accordance with FRS17.

The major assumptions used by the actuary were (in nominal terms):

	Valuation at 31 Dec 2007	Valuation at 31 Dec 2006	Valuation at 31 Dec 2005
Pensionable salary growth	4.9% pa	4.7% pa	4.3% pa
Pension escalation in payment – UK RPI, maximum 5%	3.4% pa	3.2% pa	2.8% pa
Discount rate	5.9% pa	5.1% pa	4.9% pa
Inflation assumption	3.65% pa	3.7% pa	3.3% pa

The assets in the scheme and the expected rate of return were:	Expected return for 2008 %	Value at 31 Dec 2007 £'000	Expected return for 2007 %	Value at 31 Dec 2006 £'000	Expected return for 2006 %	Value at 31 Dec 2005 £'000
Unitised with profits policy	5.75%	4,312	5.5%	3,518	5.75%	2,937
Equities	8.0%	313	7.75%	141	-	-
Bonds (including gilts)	5.5%	102	5.0%	58	-	-
Property	7.0%	36	7.0%	36	-	-
Cash	5.0%	27	4.5%	7	-	-
Total market value of assets		4,790		3,760		2,937
Present value of scheme liabilities		(4,897)		(5,102)		(4,985)
Deficit in the scheme – net pension liability		(107)		(1,342)		(2,048)

The net pension liability represents the deficit which the employer has a legal or constructive obligation to meet.

Movement in deficit during the year:	2007 £'000	2006 £'000
Deficit in scheme at beginning of the year	(1,342)	(2,048)
Movement in year:		
Current service cost	(302)	(266)
Contributions paid by the employer	547	515
Past service cost	-	(260)
Other finance cost	(42)	(74)
Actuarial gain	1,032	791
Deficit in scheme at the end of the year	(107)	(1,342)

Over the year ended 31 December 2007 the employer contributed at the rate of 21.3% of pensionable salaries plus a single premium payment of £240,000. The rate of contribution is subject to review at future actuarial valuations. The cost of insuring the death in service benefits was paid in addition.

Notes to the Consolidated Accounts

For the year ended 31 December 2007, continued

32. Pension schemes, continued

The other finance cost comprises:	2007 £'000	2006 £'000
Expected return on pension scheme assets	225	177
Interest on pension scheme liabilities	(267)	(251)
Net interest	(42)	(74)

Analysis of the actuarial gain/(loss) recognised in the SOFA	2007 £'000	2006 £'000
Actual return less expected return on pension scheme assets	218	122
Experience gains and losses arising on the scheme liabilities	(19)	251
Changes in assumptions underlying the present value of the scheme liabilities	833	418
Actuarial gain recognised in SOFA	1,032	791

History of experience gains and losses:	2007	2006	2005
Difference between the expected and actual return on scheme assets (£'000)	218	122	(14)
% of scheme assets	5%	3%	0%
Experience gains and losses on scheme liabilities (£'000)	(19)	251	10
% of present value of scheme liabilities	0%	5%	0%
Total amount recognised in SOFA (£'000)	1,032	791	(288)
% of present value of scheme liabilities	21%	16%	-6%

Priory Officers, Management and Principal Committees

The names of the members of the Council who have served since 1 January 2007 and the St John Ambulance executives are set out below. Overleaf are the key committees of the Council.

Sir Brian Jenkins GBE , Chairman	1,4,9
The Rt. Hon. Sir John Wheeler JP DL , Chancellor	1,4,8,9
Mr R H Chatterton , Chief Commander	1,4,5,7,9
Mr P S Bussy , Chief Treasurer	1,5
Mr H F D Dymond , Acting Chief Commissioner, Operations/Chief Commissioner, Training & Marketing	7
Dr J W Clarke OBE , Representative of the Knight Commander of Ards (retired 7 June 2007)	
The Very Revd. A Knight OBE , Dean (appointed 23 June 2007)	1,4,8
Lady Hamilton of Dalzell DL , Chief President	1,7,8
Mr G C Hinckley OBE DL , Priory Hospitalier	8
Mr N C Clark JP DL , Almoner (deceased 27 August 2007)	7,8
Miss S Holmes , Chief Commissioner, Youth	7
Mr N C P Bird DL , regional member	
Mr J R Russell , regional member (resigned 23 June 2007)	
Mrs C D Elwes , regional member	4
Mrs P J V De Salis , regional member	
Mr P Petrovitch , regional member (retired 23 June 2007)	
Vice Admiral Sir Tom Blackburn KVCO CB , regional member (appointed 23 June 2007)	
Dr C Lund , regional member (appointed 23 June 2007)	
Mr J M Taylor , co-opted member	5,6,10
Mr P Holland CBE DL , appointed member	2
Mr S G Russell , appointed member	9
Mrs S Ellen , appointed member	
Maj. Gen. A Hawley OBE QHP , Chief Medical Officer (appointed 1 May 2007)	7,11

Priory Secretary

Mr G Maydon

1. Member of Nominations Committee
2. Member of Audit Committee
3. Member of Investment Committee
4. Member of Priory Review Committee
5. Member of Finance Committee
6. Member of Property Committee
7. Member of St John Ambulance Management Committee
8. Member of Order Management Committee
9. Member of Remuneration Committee
10. Member of IT Committee
11. Member of Medical Board

Other Principal Priory Officers

Dr R Jaggs-Fowler, Chief Medical Officer (Acting) (resigned 1 May 2007)

Colonel K George CBE, Chief Nursing Officer
(resigned 31 December 2007)

Professor J S C Riley-Smith MA PhD, Librarian
(retired 23 June 2007)

Dr A Borg CBE, Librarian (appointed 23 June 2007)

P L Gwynn-Jones CVO, Genealogist

Lt. Col. A Bruce of Crionaich, Director of Ceremonies

The Rt. Hon. Sir Philip Otton, Chief Legal Officer
(retired 23 June 2007)

The Revd. Dr P Galloway OBE JP, Registrar
(appointed 21 May 2007)

Executives

Mr R Holmes CB, Chief Executive (retired 31 December 2007)

Ms S A Killen, Chief Executive (appointed 1 December 2007)

Mr G Maydon, Priory Secretary and Legal Counsel

Mrs E Selzer, Director of Finance (resigned 13 April 2007)

Mr M Coombs, Director of Finance (appointed 13 April 2007)

Mr J R Evens, Director of Training and Marketing

Mr B Rockell, Director of Operations

Mr A Mulvie, Director of Fundraising

Ms A Stokes, Head of Internal Audit (resigned 11 May 2008)

Miss M Flynn, Director of Information Technology
(resigned 31 December 2007)

Mr K Heydenrych, Interim Information Technology Director
(appointed 31 December 2007)

Dr M Lowe, Head of Human Resources and Organisational Development

Mr R Fernandez, Head of Communications

Miss L Dominguez, National Child Protection Officer

Nominations Committee

Chairman – Sir Brian Jenkins GBE

Mr G Bush CB (appointed 29 March 2007)

Mr P S Bussy (appointed 1 March 2007)

Mr R H Chatterton

Lady Hamilton of Dalzell DL

Brigadier J Hemsley

The Very Revd. A Knight OBE (appointed 23 June 2007)

Mr J A Scott OBE (resigned 29 March 2007)

Baron Stevens of Kirkwhelpington (appointed 29 March 2007)

Mrs A K Stewart-Roberts OBE

The Rt. Hon. Sir John Wheeler JP DL

Priory Review Committee

Chairman – Sir Brian Jenkins GBE

The Marquess of Abergavenny

Mr G Bush CB

Mr R H Chatterton

Mrs C Elwes

Mr B England DL

Mr D Hempleman-Adams LVO OBE DL (appointed 8 October 2007)

Priory Officers, Management and Principal Committees

continued

Brigadier J Hemsley
 Mr R Holmes CB (retired 31 December 2007)
 Ms S A Killen (appointed 1 December 2007)
 The Very Revd. A Knight OBE (appointed 23 June 2007)
 Maj. Gen. P R Leuchars CBE
 Mr G Maydon
 Colonel Sir David Trippier RD JP DL
 Surgeon Captain J Walsh RD
 The Rt. Hon. Sir John Wheeler JP DL
 Mr J N Williams

Audit Committee

Chairman – Mr P Holland CBE DL

Mr H P Bee JP
 Mr V A E Bodger
 Mr W G K Carter CBE DL

Investment Committee

Chairman – Mr R Foulkes

Mr M Coombs (appointed 13 April 2007)
 Mr M R N Evans (resigned 22 May 2007)
 Mr R Holmes CB (retired 31 December 2007)
 Mr R B Hurley (resigned 22 May 2007)
 Ms S A Killen (appointed 1 December 2007)
 Mr H van der Klugt
 Mr H Purkess
 Mr D Price
 Mrs E Selzer (resigned 13 April 2007)
 Mr P Walsh (appointed 4 September 2007)

St John Ambulance Management Committee

Chairman – Mr R H Chatterton

Dr H Bloom
 Mr N Clark JP DL (deceased 27 August 2007)
 Mr M Coombs (appointed 13 April 2007)
 Mr H F D Dymond
 Mr J R Evens
 Miss M Flynn (resigned 31 December 2007)
 Colonel K George CBE (resigned 31 December 2007)
 Maj. Gen. A Hawley OBE QHP (appointed 1 May 2007)
 Lady Hamilton of Dalzell DL
 Mr R Holmes CB (retired 31 December 2007)
 Miss S Holmes
 Dr R Jaggs-Fowler
 Ms S A Killen (appointed 1 December 2007)
 Mr G Maydon
 Mr A Mulvie
 Mr B Rockell
 Mrs E Selzer (resigned 13 April 2007)

Remuneration Committee

Chairman - Mr S Russell

Mr R H Chatterton
 Sir Brian Jenkins GBE
 The Rt. Hon. Sir John Wheeler JP DL

Finance Committee

Chairman – Mr P S Bussy

Mr E R P Boorman OBE DL (resigned 10 May 2007)
 Mr R H Chatterton
 *Mr M Coombs (appointed 13 April 2007)
 Mr B England DL
 Mr S Frost
 *Mr R Holmes CB (retired 31 December 2007)
 Mr R Hursthouse (appointed 8 May 2008)
 *Ms S A Killen (appointed 1 December 2007)
 Mr S Knee
 Mr J J Macnamara TD JP
 *Mrs E Selzer (resigned 13 April 2007)
 Mr R Squires
 Mr C S Taylor (resigned 22 November 2007)
 Mr J M Taylor

Order Management Committee

Chairman – The Rt. Hon. Sir John Wheeler JP DL

Dr A Borg CBE (appointed 23 June 2007)
 Lt. Col. A Bruce of Crionaich
 Mr N Clark JP DL (deceased 27 August 2007)
 The Revd. Dr P Galloway OBE JP
 Lady Hamilton of Dalzell DL
 Mr G C Hinckley OBE DL
 Mr P L Gwynn-Jones CVO (appointed 10 January 2008)
 Mr R Holmes CB (retired 31 December 2007)
 Ms S A Killen (appointed 1 December 2007)
 The Very Revd. A Knight OBE (appointed 23 June 2007)
 Mr G Maydon
 Mr A Mulvie
 Professor J C S Riley-Smith MA PhD (retired 23 June 2007)
 Mr G Sutton

Property Committee

Chairman – Mr J M Taylor

Dr R Barham
 Mr B Harris
 Mr H M Hayward
 Mr R Holmes CB (retired 31 December 2007)
 Ms S A Killen (appointed 1 December 2007)
 Mr M W King
 Mr G Lemon
 Mr J H Lelliott
 * non-voting member

Priory Officers, Management and Principal Committees

continued

Mr R Simpson
Mr W Arrowsmith
Mr H C Webster
Mr K Dowse
Mr P Harrison

IT Committee

**Chairman – Mr E R P Boorman OBE DL
(appointed 8 May 2007)**

Mr C Byrne (appointed 8 May 2007)
Mr G Greenwood (appointed 8 May 2007)
Mr K Heydenrych (appointed 8 May 2007)
Mr R Holmes CB (appointed 8 May 2007, retired 31 December 2007)
Ms S A Killen (appointed 1 December 2007)
Mr S Peurt (appointed 8 May 2007)
Mr N Peddie (appointed 8 May 2007)
Mr B Shepherd (appointed 8 May 2007)
Mr J M Taylor (appointed 8 May 2007)

Medical Board

**Chairman – Maj. Gen. A Hawley OBE QHP
(appointed 31 December 2007)**

Mr A Andrews (appointed 1 January 2007)
Dr M Austin (appointed 1 January 2007)
Mr P Gates (appointed 1 January 2007)
Colonel K George CBE (appointed 1 January 2007,
resigned 31 December 2007)
Dr R Jaggs-Fowler (appointed 1 January 2007,
resigned 31 December 2007)
*Mr B Rockell (appointed 1 January 2007)
Mr R Webber (appointed 1 January 2007)

* non-voting member

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.sja.org.uk

St John Ambulance

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

The St John Ambulance & Rescue Service

Ambulance Station
Rohais
St Peter Port
Guernsey
GY1 1YN

St John Training Services Guernsey Ltd

Les Gigands
St Sampsons
Guernsey
GY2 4YU

The St John Alderney Ambulance Service Limited

St John Alderney Ambulance Headquarters
PO Box 56
Alderney
GY9 3BN

Support St John Limited

27 St John's Lane
Clerkenwell
London
EC1M 4BU

St John Supplies Division

PO Box 707B
Friend Street
London
EC1V 7NE
Telephone: 020 7278 2779
Website: www.stjohnsupplies.co.uk

Auditors

Horwath Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Investment Managers

BlackRock Investment Management (UK) Limited
(formerly Merrill Lynch Investment Managers Limited)
33 King William Street
London
EC4R 9AS

Property Advisers

Daniel Watney Chartered Surveyors
25 Hosier Lane
London
EC1A 9DW

Solicitors

Bircham Dyson Bell
50 Broadway
London
SW1M 0BL

Insurance Brokers

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



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Wesser and Partner
The William Wates Memorial Trust

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27 St John's Lane
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