



St John



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

Annual Report and Accounts

For the year ended 31 December 2019
Including the work of St John Ambulance

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Please note: All of the imagery that appears in this document was taken before the Covid-19 pandemic.

Prior's foreword

I am pleased to introduce the annual report for 2019 which, consequent upon the unusual events of the subsequent year 2020, has been submitted for approval very much later than is the norm. The trustees have a responsibility to ensure that they can verify that the charity remains a going concern at least for 12 months hence, and we have to provide information in relation to significant changes that have happened between the end of the financial year and the date of signing. This therefore required a comprehensive analysis of the financial impact of Covid-19 upon the charity, and a confidence that the Board and Executive leadership had taken the actions necessary during 2020 to provide that assurance. The report covers more issues related to the finances of the charity through to the summer of 2020 than would normally be the case, but I am now pleased to present this with full confidence in our strategic direction of travel.

As I write today I am immensely proud of our achievements throughout 2019 and 2020, and it is much of the work undertaken through 2019 that ensured that we were properly prepared for the crisis that was about to unfold. Through 2019 we comprehensively reviewed our financial and operational processes, invested heavily in fundraising, strengthened our clinical leadership and governance, and launched a new strategy that emphasized our commitment to young people, communities and high standards. We ended 2019 hugely optimistic for a future that would build on the hard work of 2019, with a strong asset base, increasing recruitment of young volunteers, and ever stronger ties with external bodies, whose respect we had reacquired, notably NHS England and the Royal Colleges. We had spent much time on strengthening the role of the volunteers and staff in the counties and their communities, alongside the Fellowship and the chaplaincy. 2019 was a highly productive year, and I thank everyone one of our St John family in England for all of that work, the powerful impact of which is that we were ready when needed in 2020 to deliver our largest ever peace-time operation, against unprecedented financial odds, and to be the principal charity supporting the NHS through our nation's difficulties. I have witnessed immense resilience, adaptability, professional excellence, selflessness and generosity by the people of St John who have exhibited behaviours that will powerfully exemplify our values for generations to come. We were ready when needed, and we have made a difference where it has mattered.



Surgeon Rear Admiral Lionel Jarvis CBE KStJ DL
Prior

Welcome

Our annual report for 2019 would normally have been published earlier than it has been this year. But 2020 has not been a normal year. The Covid-19 pandemic has affected every aspect of life, impacting individuals, communities, businesses and organisations across the country, and St John Ambulance is no different. An annual report should reflect significant changes between the end of a year and the current date and so information on the impact of the pandemic on St John and its financial position during 2020 is included in what follows.

St John people are there when communities need us most and this has never been truer than in 2020. I am immensely proud of the way our volunteers and staff have stepped up to support the NHS during the Covid-19 pandemic. We have provided our biggest mobilisation in peacetime to deliver the health and care people need and ensure the NHS was not overwhelmed. We have contributed over 200,000 hours of volunteer patient-facing care in the year so far, doing everything from providing trained ambulance crews to supporting hospital emergency departments and Covid wards with clinical care volunteers. We also provided new services, supporting blood donation centres, GP drivers and pre-chemotherapy tests outside hospitals to limit the risk of Covid infection.

However, this support has come at a cost. Despite Covid funding both from central government and the NHS, our finances have taken a huge hit as we have stepped up our services at the same time as having to cease our main income-generating work. We anticipate our income generation will be impacted for another twelve months with both our event medical work and our workplace training experiencing a slow but steady recovery. We have had to make difficult decisions, including making a significant number of redundancies among staff and reshaping our property portfolio. To keep sharing first aid skills with future generations, caring for communities and saving lives, we also needed the public's support and we have seen them give a most generous response.

It is clear that 2021 is going to be another challenging year. Our support will be even more crucial to protecting the capacity of the NHS as the health service continues to deal with the direct impact of Covid-19, while also addressing the secondary health consequences of the pandemic such as tackling treatment waiting lists. At the same time, as society continues to resume activities halted amid the pandemic, our support will once again be needed to enable community projects and events to proceed in a safe way.

As we learn how to deliver differently we are operating more digitally, and in 2021 we will continue to accelerate change begun in 2020 to accommodate new ways of working and to ensure that all St John people can be effectively supported in their work.

Whilst it is impossible to ignore the radically changed context in which we are now operating, this annual report predominantly covers the activity of St John in 2019. It was a year when we returned to telling the story of St John through the voices of St John people and this report captures some of those incredible stories. A year where the improvements we made behind the scenes had a single purpose of better supporting St John people to live out our values. A year when the combined efforts of our volunteers, staff and supporters meant we continued to be at the heart of communities across the country, playing a key role in improving and protecting the health of the nation. We look forward to continuing to provide this service to humanity in the changed times in which we now live.



Martin Houghton-Brown
Chief Executive

“I’m a trained nurse and I volunteer at the St John Homeless service in Hastings. Here, we care for homeless and vulnerable people, who have all sorts of problems. Through our clinics, we see people that need first aid help, like changing bandages and plasters. But we also see people who have acute medical conditions and require more intense treatment.

“I like to think we don’t judge anybody. This is a safe space and people can come here and unload. We care about their drug, alcohol or mental health problems, but this is the place where it starts to get better. When a person gets on the road to recovery, you’re following behind them, at the side of them. We never give up. Never give up on anybody. Ever.

“This is the most rewarding nursing job I have ever had in my life, hands down. We always are looking for more people to join us. We have general volunteers as well as nurse volunteers and we’re a charity and we need to be supported by the public.”

**Sandy, Nurse
St John Hastings Homeless Service**





St John health volunteers

Compassionate health care when it's needed most

- **St John people live our values:** serving without judgement, taking time to care, applying their clinical expertise to meet health needs and developing new and better ways to preserve and protect life.
- **Our 9,000 health volunteers provide high quality, clinically-assured first aid, helping protect the health of those who need support and reducing the pressure on our colleagues in the NHS.** Services like this one in Hastings give the most vulnerable a safe space where they can be themselves and we have been working with local commissioners to expand this approach where it's needed in more parts of the country.
- **The impact of our health volunteers is made possible by those who support their work and St John offers volunteering opportunities beyond providing first aid.** The thousands of St John people who lead our young people programmes, provide essential logistical support including PPE and provide our training, are all an essential part of the services we provide to communities.
- **And the welfare and experience of all St John people is the priority for our charity's leadership.** In 2019, we looked to address higher than expected levels of turnover in the first 18 months of volunteering for St John, through creating new volunteer roles like District New Volunteer Leads and Regional Volunteering Managers. Their focus is to improve our volunteers' experience of St John and ensure they feel motivated to continue to be part of our team. We have also begun the journey of embedding the principles of compassionate leadership within our volunteering, a journey we will continue to prioritise. The compassion of St John people matched by the compassion with which the charity serves them.

“St John has enabled me to develop into the person I am proud to be. I owe a lot to St John. It’s a place where young people lacking in confidence – just like I was – can come in and find a new home, just like I did. At the time when I joined, I was very quiet and easily led on, but the organisation helped me get back onto the straight and narrow and become less of a sheep.

“The skills I learned have literally helped me save lives. When I was only 15, I witnessed a crash between a lorry and a car. I was able to assist multiple casualties, taking control of the situation till the ambulance and police officers I’d called for had arrived, giving them a full handover of the incident.

“The volunteers in Northampton – especially our Unit Manager, Karen – helped me so much, probably without even realising it. I cannot thank them enough and to the support I’ve had from the wider St John family. To the logistics teams on events that feed us, to the Cadet of the Year team, I cannot put into words how truly grateful I am to you all.

“One day I hope to change someone’s life the way St John has changed mine.”

Max, Regional Cadet of the Year 2019





St John young people Making a difference at the heart of communities today and tomorrow

- **St John Ambulance's young people and everything they achieve are a continuing source of pride and inspiration for us.** In 2019, we grew our youth offering by 1,500 places, thanks to support from the Youth United Fund, increasing the diversity of communities in which we operate and enabling us to work with those who have a more urgent need for our support. By the end of 2019, we had 8,071 cadets, with a further 2,565 Badgers (7 – 10 years old). All receive hands-on first aid training, allowing them to contribute to their communities.
- **St John is a multi-generational charity, building competence and confidence whether you are 7 or 70.** Our cadets therefore go out on active duty, as soon as they are qualified, putting their hard-earned first aid knowledge into practice, learning with those around them and helping us to provide the first-class service for which we are renowned. We believe that intergenerational learning and knowledge-sharing in a clinical setting is an essential part of building more resilient communities.

- **We know that there is more demand from young people for our training and practical offer of experience.** In 2019 we completed detailed research on which groups of young people could benefit most from learning how to deal with health incident needs. We will now look to develop new programmes to focus on where we can make the most impact.
- **Already, following the award of a £1 million per annum grant from NHS England & Improvement, we have started working on a joint programme, NHS Cadets.** This supports workforce commitments in the NHS's ten-year plan and is focused on young people from socio-economic and/or cultural backgrounds that are under-represented in the healthcare workforce. It is designed to inspire and develop young people to become interested in volunteering or working in health care, when they might not ever have explored those horizons before, opening up opportunities to these individuals to fulfil their potential and contribute to their community.
- **All our work with young people is made possible by our 715 active youth leaders.** In 2019, we worked with the YMCA, learning from their experience to create training that enables any appropriate adult to become a

Youth Leader, building their skills and supporting the next generation of health leaders. We've also developed more accessible Safeguarding Training to support our Youth Leaders and ensure they are providing the most effective and safe support to the young people who volunteer with us.

- **As a patient-facing charity working with a thriving youth membership we take safeguarding needs very seriously.** In 2019 we handled 619 causes for concern, including 175 Ambulance Service referrals and 266 involving under 18s, the majority assessed as low risk. Our commitment to continuous improvement in safeguarding saw us undertake an independent benchmarking exercise. The report recognised the quality of our safeguarding leadership, culture and training, nationally and locally, and many of our processes. Recommendations on a few key areas for improvement included sharing continuous learning, improving the regional use of management information and engagement with parents in registering information about young people to ensure support is provided in line with their needs. We committed to take forward these recommendations in 2020.

“I heard about the Chester marathon and it was just something that I wanted to do. I’d been training for about a year and there was no way I wasn’t going to finish.

“As I was going on, my knees starting to feel a bit painful. I just heard a snap. I knew that my leg had broken somewhere. It was agony. I shouted for help, thinking ‘I hope someone gets here quickly!’

“I just assumed it would be an NHS ambulance coming so I was surprised when St John Ambulance arrived. It was a very vulnerable situation, but I felt really comfortable with them. They were chatting to me and I felt really calm. If St John hadn’t been there, I’d have been waiting on the floor a lot longer. There probably would have been complications because I was getting really cold and I would have been a lot more scared.

“I didn’t know that the people treating me were volunteers and that everything they treated me with came from public donations. I think that’s amazing.”

**Emilia
Patient at the Chester Marathon**





Caring for communities

Providing First Aid at events

- **Over the course of 2019, St John people treated 59,081 patients at public events** where we provided high quality clinical and pastoral care, treating many on the scene and transporting those in need of urgent medical attention like Emilia to hospital in one of our purpose built ambulances.
- **Our support enabled people across the country to enjoy 19,626 events in 2019.** A significant proportion of that work (5,106 high-attendance events) included some of the nation's most high-profile sporting events - the Cheltenham Festival, London Marathon, Wimbledon, Great North Run and Premier League football matches. St John Ambulance is a familiar and reassuring presence to many and a vital service to those in need. At 14,520 smaller-scale events, St John

made it safe for communities to come together. We are mindful of the important role we will play in helping communities to return to this way of life after the pandemic.

- **When the British Red Cross took the decision to discontinue providing event first aid cover in November 2019, we worked with them so their event first aid volunteers could move to St John and continue their work.** We began the process of welcoming over 400 experienced volunteers from their organisation in late 2019. From their first day, our welcome, support and resourcing has helped to create and maintain a positive volunteer experience ensuring that both British Red Cross and St John Ambulance can focus on their priority areas of work.

Peter Hollely is a St John volunteer who helped to set up and run Soho Angels, a service that works in partnership with St John Ambulance to offer medical care and support to people on a night out in central London, easing pressure on the emergency services. An NHS nurse by profession and volunteer District Clinical and Events Lead West London for St John Ambulance, Peter is cited as being an inspiration to the Soho Angels team.

As well as giving many volunteer hours to the Night Hub on Fridays, he has played a key part in building the team, patiently sharing his expertise and knowledge and using strong leadership skills to equip others to provide similar support. Since its launch on 7 Dec 2018, the scheme has helped around 160 people in the Hub and 600 on the streets, over 70 with reported injuries. Every time that a patient is dropped off at the Hub by London Ambulance Service for treatment, and every time a call to the ambulance service is cancelled as a result of the first aid provision within the scheme, St John demonstrates the value of our care within the community both for patients and relieving pressure on the health system.

Peter Hollely
Soho Angels Everyday Heroes winner





Caring for communities

Responding to community health needs

- **In 2019, we worked with local community safety teams and ambulance trusts to provide treatment centres, first aiders and ambulance crews to care for patients in city centres on Friday and Saturday nights across England.** We see, treat and discharge people on the scene, so fewer people end up in Emergency Departments. In November and December 2019 alone, we delivered 6,144 hours of care, treating 1,569 patients, helping to ease the pressure on NHS A&E departments at their peak.
- **St John is always there in the moments that matter and, with pre-hospital falls a significant cause of death in the elderly, our Falls Service has helped save lives.** In 2019, we supported a total of 2,526 patients through our Falls Service, including through our pilot partnership with Wolverhampton City Council.
- **Community First Responders play an important part in supporting our work with the NHS and are sent out by an NHS ambulance service to specific types of medical emergency calls.** We currently have approximately 250 CFRs supporting London Ambulance Service and South West Ambulance Service. In addition, we have continued our Unit Responder scheme with West Midlands Ambulance Service, which enables our community-based units to respond to emergency calls whilst they are meeting, increasing the resilience in local areas.

“Just wanted to pass on my thanks to your team for their professionalism, clinical ability and knowledge while on a cardiac arrest which I backed them up on. Also to make sure they are both okay after it?”

“As the first crew on scene at a cardiac arrest, it can be an emotive and chaotic scene. On my arrival the boys had the scene under control, were carrying out effective CPR, had a well-maintained airway and were giving good ventilations. The paramedic support they offered was also perfect and followed requests well. Also, following the cardiac arrest check list and good knowledge of reversible causes. The patient was young compared to the patients we normally attend to, which makes it more challenging.”

Quote from our feedback log, 2019





Caring for communities Providing the ambulance auxiliary

- **Over the course of 2019, we helped 70,508 people** through our ambulance work as part of our closer partnership working with the NHS.
- **We answered 21,927 frontline and emergency ambulance calls, meaning we provided much-needed back up to under-pressure ambulance and NHS emergency crews.** We also sent our qualified ambulance crews to care for patients whose medical conditions were less urgent, but might as a result have had longer to wait for treatment without our intervention.
- **Our ambulance transport services assist at some of the most vulnerable moments in people's lives.** In 2019, we were honoured that we were able to help 2,417 people who needed palliative care, either to

return to their homes or to hospices from hospital. We lived up to our commitment to providing this care with a personal, compassionate approach to each individual we support.

- **We are proud to have some of the most experienced ambulance crew working for St John who convey complex cases from hospital to hospital.** From Great Ormond Street in the south to key hospitals across the Midlands we provide paediatric intensive care ambulance services to the NHS transporting some of the poorest children in the nation. We provided transport service support to 7,199 paediatric or neonatal journeys and 7,054 bariatric cases, helping people to get to the care they need.

When a heart attack or cardiac arrest happens on the rail network, it can often take some time to get the train back to a station to be able to hand the casualty to the ambulance service. Having a defibrillator on the train, alongside successful CPR, gives casualties the best chances of survival.

Over the course of 2019, London North Eastern Railway (LNER) oversaw the installation of 135 life-saving defibrillators in rail stations and trains travelling between London King's Cross and Edinburgh. The company invested more than £100,000 in defibrillators and training to provide greater safety for the travelling public. The life-saving machines were bought from St John Ambulance, who also gave training on their use to 50 LNER managers, who have cascaded their knowledge to 2,000 employees.

LNER really cares about the millions of customers who travel with them every year as well as the risks to their own staff, recognising that, every second counts when it comes to saving a life.





Caring for communities

Inspiring community response

- **St John continues to provide market leading first aid training to businesses of every shape and size across England.** In 2019 we equipped 236,150 students with the skills to provide first aid through our workplace training and community courses. As well as delivering safer workplaces, those who take part in our training take their first aid skills into the community.
- **Community health needs are also changing, with mental health first aid growing in importance.** In 2019, we built our partnership with Mental Health First Aid England to provide skills to help 16,670 people make a positive difference to mental health in their workplace, an increase from 4,967 in 2018.
- **Thanks to £250,000 joint funding from the Department for Digital, Culture, Media & Sport (DCMS) and the innovation foundation, NESTA, we continued to deliver our Community Advocate programme.** Its aim was to increase our reach into communities that had little or no access to first aid, but where need is high (Birmingham, London and East Anglia). We delivered “Five ways to save a life” workshops to empower and engage people to use first aid, aimed particularly at those aged 50+. In all, we recruited over 500 Community First Aid Champions and over 100 Community Advocates, increasing St John’s reach into BAME communities, where we had limited presence before. The crucial learnings from this programme are informing how we work with communities in future.
- **The public also continued to turn to our accessible first aid advice online and through the media.** During 2019, there were 4,235,092 visits to the SJA website, with a further 446,418 views of online training videos on our YouTube channel. We partnered with the Daily Mail to further share our first aid guidance through simple pull out guides. We launched a new website at the end of 2019 which as the nation locked down in 2020 became even more important to ensure the public could continue to access support and advice. From how to respond to hyperventilation, to staying hydrated during a heatwave, we focussed on the advice and information that has the greatest impact on the public at any particular time.

“They [St John volunteers] have supported with some clinical work, patient transfers and, almost more importantly, they have been able to spend time talking to our patients.

“Despite the busyness of the department, I am sure they have improved the experience for everyone they’ve come across. They have brought such a great positive approach to the department, which has also had an uplifting impact for our staff.”

**Deputy Chief Operating Officer,
North West Anglia NHS Foundation Trust**



Our new direction rooted in our heritage

St John has long been recognised as first for first aid, the leader in its first-hand provision and training. Maintaining that position requires us to seek continuous improvement not rest on our laurels.

It can take courage to look in the mirror and be honest about what needs to improve. This is what we did from the end of 2018 into 2019, working with St John people to set a new direction to take us to 2022.

Our new strategy was published in June 2019 with a clear goal of increasing community health resilience as part of a new chapter for St John. A chapter rooted in our deep heritage of caring, compassion and supporting the health of our communities.

We set a clear destination for St John to be, over the next decade, at the heart of communities, having a positive impact on the people we treat and support, and on all St John people.

We set out our belief in the power of communities that preserve and protect life through volunteering for health and first aid.

We set out our enduring charitable promise:

- To serve humanity without judgement
- To take time to care
- To be skilled to meet health needs
- To develop new and better ways to preserve and protect life.

And with it, we began our plans to reform how we operate to meet the needs of the coming decade. To be a more inclusive and sustainable charity, inspired by an increased focus on the value of our heritage and its collections, delivering the best experience for St John people, whilst delivering our strategic goals:

- **Inspiring Community Response**
A meaningful response to reaching and sustaining more of the communities most impacted by this generation's community health incident needs.
- **Young People at the Heart of Communities**
More young people than ever qualified and ready to be active health citizens, role models and next generation healthcare professionals.
- **Leading Standards**
First for first aid and the nation's health reserve.

To read our strategy in full, visit [sja.org.uk/strategy](https://www.sja.org.uk/strategy)



Planning for impact in 2020

We agreed bold commitments for 2020 to begin the delivery of our 2022 strategy and grow our impact through a series of strategic programmes, including:

Young people at the heart of communities

- Begin piloting and then roll out of the new NHS Cadets programme, in partnership with NHS England, starting pathways into health careers.
- Complete a review of our existing cadet programme to enhance the experience for St John young people and continuously improve to meet their needs.

Inspiring community response

- Evaluate and learn from our existing community response delivery, including our Winter Pressure support for the NHS and explore opportunities for growth.
- Develop our understanding of community incident needs and begin to design responses and engage potential partners in delivery.

Leading standards (including through our training enterprise, ambulance auxiliary and event healthcare)

- Develop our mental health first aid training and e-learning offers to grow our thriving training social enterprise and continue to lead standards.
- Embed new functional leadership for our public event healthcare operations and set up new joint operational control centres.
- Implement our agreed ambulance service improvement plan to increase financial sustainability and a step change in qualifications, training and fleet.

Ensuring the best experience for St John people

- Improve our recruitment and onboarding processes for new volunteers so that their experience of St John is positive from the outset.
- Broaden the roles available for people to volunteer with St John to create opportunities for everyone to contribute to their community.
- Grow our understanding of St John people and increase our ability to listen and respond to their needs.

Growing an inclusive and sustainable charity

- Define what operational basics in the organisation should be brilliant and begin to introduce lean thinking.
- Build on the launch of the new St John Ambulance website as the charity's main digital front door and develop a strategic roadmap for further digital transformation to support St John people to thrive, create efficiencies and drive engagement with the public.
- Establish a wider Equality, Diversity and Inclusion (EDI) Network – our Celebrating Communities network – within the charity and openly challenge ourselves around our EDI policies and practices.

Engaging the public

- Develop new supporter products and deliver a new public engagement campaign to tell the story of St John through the voice of St John people.



“Please may we convey a huge thank you to your team for their fantastic support on Friday 28 June 2019 for the Our Blue Light sports event. They were able to administer to our football players when they got injured and their presence provided confidence to many staff who would not have got involved in the swimming and cycling if they had not been there.

“They were very professional, patient, good humoured and kind. They provided support for one of our service users who presented quite poorly at the office. We could not do these events without you and cannot thank you enough for your generous support. All our thanks from the Manchester Cluster.”

Feedback received, June 2019



Our year in numbers

Over **9,000** health volunteers in communities in 2019

In 2019 we had
2,565 Badgers (7-10 year olds)
8,071 Cadets (11-17 year olds)
 who had all received hands-on first aid training

We treated **59,081** patients at **19,626** events in 2019

We treated **1,569** patients in city centres on Friday & Saturday nights between Nov & Dec 2019

Our workplace training trained:

236,150 people in first aid skills in 2019

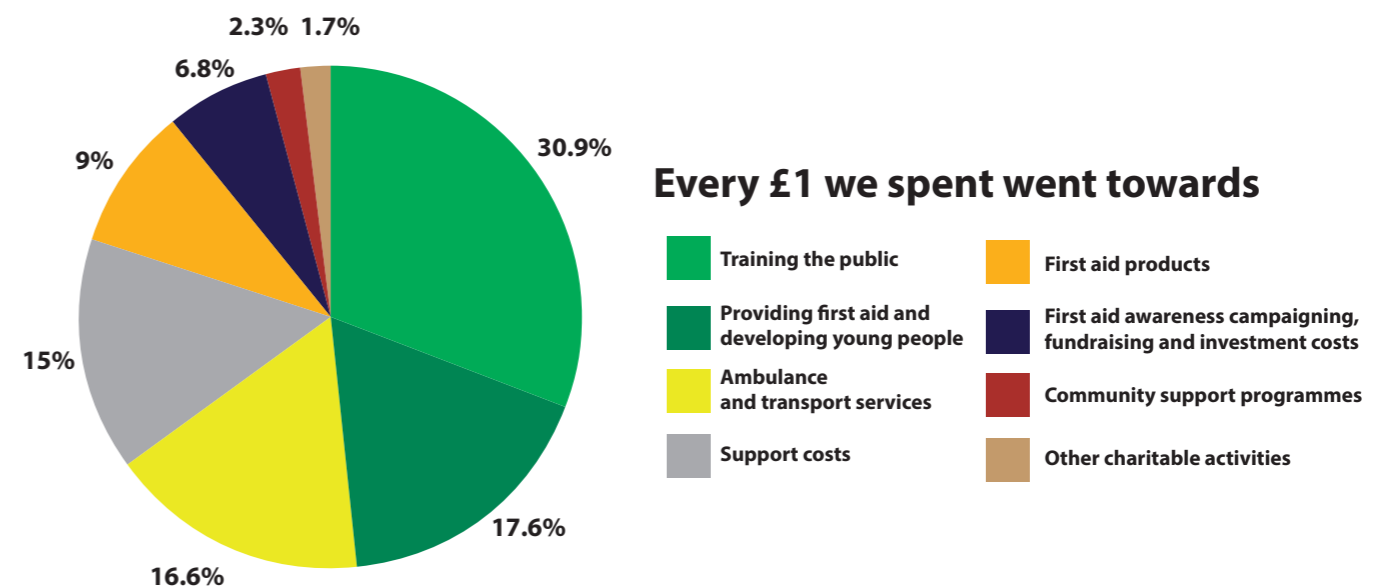
16,670 people in Mental Health First Aid in 2019

We responded to **21,927** emergency ambulance calls in 2019

Over the course of 2019 our ambulance work helped transport **70,508** people

Over **30,000** people visited the Museum of the Order of St John in 2019

Over **15,000** St John volunteers gave over **800,000** hours supporting communities



Statement of public benefit

The Priory of England and the Islands of the Most Venerable Order of the Hospital of St John of Jerusalem ('the Priory', also referred to as 'the charity'), St John Ambulance and its wholly-owned subsidiary, Support St John Limited, are together referred to as 'St John' ('the group').

Our principal activities have a considerable positive impact on the communities we serve, from the patients we treat in their moments of need to the personal and social development that being part of St John offers to volunteers themselves. More broadly, our activities focus on enabling communities to become more health resilient.

The trustees have considered the relevant guidance and are satisfied that all St John's charitable activities fall within its objectives and result in considerable benefit to the public. This is outlined in the section of this report dealing with achievements and performance.

The trustees have regard to the Charity Commission's requirements and the positive impact we have on beneficiaries, volunteers and communities when reviewing the charity's aims and objectives, and in planning future activities.



Financial review

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

Basis of accounting

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

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

No significant changes have been made to these policies from those used in the year ended 31 December 2018.

Review of the year

The following pages provide narrative about our finances, our income and how our resources are used to fund our activities.

Overall summary

Income

The Consolidated Statement of Financial Activities ('SOFA') on page 68 shows a small increase in total income of 4%, from £98.0m in 2018 to £102.4m. This rise is in part due to increased income from our training activity, where income rose by £2.7m to £46.8m, which was 46% of the charity's overall revenue in 2019. This reflected the rise in the level of attendance at our mental health first aid courses.

An increase of £0.9m in the income received from legacies, which fluctuates from year to year, was the other significant component of the rise in income in the year. Overall, income from donations and legacies remains a relatively small element of the total charity revenue, forming 16% of total income.

Expenditure

Expenditure on charitable activities totalled £99.0m, an increase of £5.8m (6%) compared to 2018 (£93.2m).

The charity continues to maintain a nationwide presence of nearly 30,000 people and trains over 250,000 including first aiders who can be seen across the country, responding to health incidents in their communities and work places. This is the bulk of our expenditure.

The breakdown of expenditure across our activities includes an allocation of our central and indirect costs. The basis of the allocation was amended in 2019

as more data became available and the allocation has been calculated to a greater level of detail. As a result, the allocation of costs between different activities in 2019 is different to that used in 2018. In particular, more indirect costs have been allocated to first aid provision and youth development, reflecting the infrastructure that is necessary to support our volunteers, with a consequent reduction in the expenditure allocated to the ambulance and transport services activity.

A summary of the 2018 expenditure, comparing the impact of the current and previous methods of allocating indirect costs, is provided in note 7.

Net deficit

The net annual 'operating' deficit in 2019 was £7.1m, which was £1.5m higher than the equivalent deficit in 2018 of £5.6m. After including gains on investments of £3.2m and gains on disposals of £1.4m, the overall net deficit for the year was £2.5m. In 2018 the overall net deficit was £7.5m, following an investment loss in that year of £3.2m.

The deficit for the year reflects the cost of our core charitable activities, including poor financial performance on some of our contracts providing ambulance services, together with expenditure to improve and maintain our property portfolio (funded from the disposal in previous years of other non-core properties), as well as improving our website, our communications capability and our other systems.

Funds

As at 31 December 2019, our total funds were £120.7m (2018: £123.2m). Within this amount, our unrestricted funds were £115.1m (2018: £119.2m).

The Priory's operational free reserves, which are shown in further detail on page 50, are £27.1m (2018: £13.6m).

First aid provision and youth development

St John's volunteers provide high quality, clinically-assured first aid when it is needed and this work is central to our impact on communities across the country. We provide services free of charge or at a nominal fee to a large number of community events. As a result, the income generated by this activity does not recover the expenditure incurred in ensuring that these services are provided.

While income remained similar to the previous year at £7.3m (2018: £7.1m), costs were significantly higher at £26.0m compared to £15.9m in 2018.

As explained above, £8.6m of this increase is due to a change in the method by which central and indirect costs are allocated across charitable activities, with the allocation to first aid provision and youth development reflecting the costs of the infrastructure utilised in this activity. Excluding this increase from a change in the method of allocating indirect costs, expenditure rose from £15.9m in 2018 to £17.4m.

Ambulance and transport services

St John is trusted by the NHS to provide support, including work for ambulance trusts and community services trusts to help relieve winter pressures and transport patients.

Income rose slightly to £12.8m from £12.5m in 2018. This was less than had been planned and failed to meet the business plan for these services. During 2019 specialist leaders were brought in to design a refreshed turnaround plan which was enacted at the end of 2019.

Costs reduced by £4.4m (18%), from £24.2m in 2018 to £19.8m. A reduction of £6.1m is due to a change in the method by which central and indirect costs are allocated across charitable activities. Excluding this reduction, expenditure rose by £1.7m compared to 2018.

Community support programmes

We have a range of community support programmes including the provision of services to people who are homeless or vulnerably housed in Sussex. In 2019 we continued services for older people in day care centres and at the St John Home in Kent.

Income and expenditure in these activities remained relatively constant. Income was £1.4m (2018: £1.5m) and total expenditure, including allocated costs, was £4.0m (2018: £4.0m).

Training

The net surplus generated by the provision of first aid training was £10.8m, compared to £9.8m in 2018.

Income increased by £2.7m to £46.8m during 2019, a rise of 6% which was driven by growth in our provision of mental health first aid training courses.

Expenditure increased by £1.7m (5%) to £36.0m, compared to £34.3m in 2018.

Our expansion into the training of wellbeing and Mental Health First Aid began to demonstrate both the public need and the impact of rolling out these courses on our business model. Benefits were gained from initiatives to create training resources in-house and to reduce the cost of face to face training delivery, which is given by both staff and volunteers.

We also provide some courses within the community for no charge. Any surpluses generated by our training activity are used to help fund these and our other charitable activities.

First aid products

First aid products are procured and distributed by a department of the organisation, known as St John Ambulance Supplies, which sells first aid products, as well as purchasing equipment and other materials for use by the charity itself. In particular St John Supplies is the proud supplier of thousands of public access defibrillators to companies and public sector agencies, ensuring that in the event of a cardiac arrest a defibrillator

is accessible and with effective CPR can result in life saving treatment.

The external income of our Supplies division fell slightly in 2019 to £12.7m, a reduction of £0.3m compared to the £13.0m income received in 2018.

Expenditure reduced by £1.2m to £11.4m, from £12.6m the previous year. £0.9m of this reduction is due to a change in the method by which central and indirect costs are allocated across charitable activities. Excluding this reduction from a change in the method of allocating indirect costs, expenditure was lower by £0.3m compared to 2018.

The surplus generated by our Supplies division is used to support our other charitable activities.

Fundraising

As a charity, it is the generosity of the public that makes our impact possible. St John is very grateful for all the donations and legacies that we receive from supporters. This is critical in funding our work with young people as well as equipping all our volunteers to deliver the work that has such a positive impact on communities across the country.

In 2019, we started to increase our capability in fundraising, expanding our expertise, investing in technology and fundraising innovation and finding better ways to tell our story. This meant we were able to fundraise a total of £16.9m during the year, which will support us to provide the best possible service to communities across the country.

- Our new fundraising strategy was approved by trustees and projects significant income growth over time. This is built on investment in specialist fundraisers, including setting up new income generating departments such as Philanthropy, investment in fundraising technology and fundraising innovation.
- Investment in tools has included upgrading our supporter database to Raisers Edge NXT which is a significantly more user-friendly tool. This means that St John supporters will have a better experience, improving their engagement with us.
- In 2019, we agreed a new contract with Wesser Ltd, our long-established agency which delivers door-to-door and telephone fundraising. This moved the supporter database and administration in-house to St John Ambulance, so we have full ownership of the supporter experience and complete access to the data. It puts in place stronger management controls, enabling better reporting and regular review meetings to oversee all areas of performance. The new contract has been modernised to recognise and reflect new data protection laws and creates improved protection for the charity.

Income from donations and legacies

Overall income from donations and legacies is a relatively small but important and growing element of our charity's revenue, forming 16% of the total income. In 2019, total income rose by £1.1m from £15.8m in 2018 to £16.9m. This increase was mainly driven by a rise of £0.9m in the value of legacy income to £3.4m.

Of the income from donations and legacies, £3.2m was restricted. Of this, £0.5m was provided by NHS England as an initial payment towards the costs of the NHS Cadets programme. As discussed before, this provides a pathway for young people that are from socio-economic and/or cultural backgrounds that are under-represented in the healthcare workforce. It is designed to inspire and develop young people to become interested in volunteering or working in health care, when they might not ever have explored those horizons before.

During the year we coordinated contributions of £0.2m to the St John of Jerusalem Eye Hospital Group which provides expert eye care in the West Bank, Gaza and East Jerusalem.

Fundraising costs

Direct fundraising costs were £5.8m (2018: £5.0m). Overall fundraising costs, including indirect costs, were £6.7m, an increase of £0.3m compared to the previous year value of £6.4m. Of these costs, £0.9m are indirect, as shown in note 7.

The increases in expenditure reflect the work we are doing to implement our fundraising strategy which started to be delivered during 2019.

How we raise money

- We recruit new supporters through door-to-door fundraising activity, continuing to engage with them over time to develop and grow these relationships
- We also recruit new supporters using a variety of engagement methods, including door-drops, inserts and digital tools, through social media and via our website.
- We raise money from trusts, foundations, companies and major donors
- We receive sponsorship fundraised by supporters who undertake challenge events like the London Marathon and the Great North Run
- At a local level, our community fundraising teams build networks with our employees and volunteers around the country
- Finally, we encourage people to leave legacy gifts to us in their will, growing and nurturing long-term relationships to achieve this.

Working with fundraising agencies

Regular donations mean we can plan effectively for the future.

We use a professional fundraising agency, like many other charities, to help us raise the most funds we can. For over 20 years, we have been fundraising door-to-door with Wesser Ltd, a well-established family run business that has cumulatively raised over £67m from our loyal door-to-door supporters across the country. Wesser Ltd is subject to regular audits to ensure the highest level of service is provided.

All fundraisers are required to read a solicitation statement to all new supporters on the door explaining the arrangement that we have with Wesser Ltd. Supporters are also given a document entitled 'Your Direct Debit', which gives more information as to how donating helps us over the long term followed with guidelines on how we utilise their data preferences.

We also work with three payroll giving agencies, including Sharing the Caring, Hands On Payroll Giving and Payroll Giving in Action, to promote tax effective giving from people in the workplace.

Our fundraising policies

St John Ambulance is a member of the Fundraising Regulator and we ensure that across all our in-house activity and our external partners we abide by the Code of Fundraising Practice and code of conduct for face to face fundraising. Trustees monitor our practice in a standing committee of the board focussed on fundraising. We had no reported breaches or failings of these standards in 2019 (2018: Nil).

We know that the public needs to trust St John if they are going to donate money to us. This means having processes in place to continually monitor the work we deliver across all our fundraising and listening to feedback from current, potential and lapsed supporters.

We ensure high standards by having a clear set of policies in place. These include policies for protecting vulnerable people, safeguarding and a fundraising promise, which can be found at: <http://www.sja.org.uk/sja/support-us/our-fundraising-promise.aspx>

We ensure all fundraisers and fundraising employees read and understand these documents. External fundraisers also take part in a training programme, with regular

update sessions .

Our aim is that our systems and procedures meet best practice so we work closely with our internal audit, assurance and other specialist colleagues to monitor our performance. We maintain a robust process for procuring the services of external partner agencies as well as checking the contracts we have in place.

Protecting our supporters' data is paramount so we ensure that our policies and procedures for its storage and processing meet legal requirements and our own high standards, with agreements in place with agencies we work with. We conduct regular internal audits of all teams who work with and process supporter data.

Complaints

As with all organisations, we sometimes receive complaints about our activity. In 2019, St John Ambulance received a total of 55 complaints (2018: 57 complaints) about our fundraising activities. We have a process for responding promptly to all complaints and, where appropriate, carry out an investigation. Around half of the complaints resulted in training or retraining of the individual fundraiser.

Our clear fundraising complaints procedure can be found at: <https://www.sja.org.uk/sja/support-us/our-fundraising-promise/complaints-procedure.aspx>

This is aligned with the Fundraising Regulator's requirements and we monitor and respond to complaints in accordance with it. We also have robust complaints processes in place for all our external agencies to ensure we are fully compliant and that they meet the standards laid down by the Fundraising Regulator.

One fundraising team

As a fundraiser from Wesser working for St John Ambulance, I absolutely feel like I'm part of the St John team that is saving lives. The incredible work of our volunteers and the impact they have mean I can inspire people to donate so we can continue this work.

You really do see the strong connection that supporters have with St John. Sometimes they want to give you an insight into part of their life that could have been really tragic if St John hadn't been there – for example, they tell you of how first responders have come to their home and helped a member of their family. Whatever the outcome was, they're so grateful. It makes you passionate about working alongside St John and I feel proud every day to be raising funds for the charity.

In Wesser, they provide training about how to leave a conversation leaving the supporter feeling happy. It's good to see that they're willing to invest that much time in to making sure we do things right.

Sometimes I think "Do I work for St John or do I work for Wesser?" because I feel so much a part of the charity. And I feel privileged that people tell me their stories that give me the confidence every day to perform my role.

Denise, Wesser fundraiser on behalf of St John Ambulance

Cash flow

We generate additional income from our cash holdings, while maintaining enough funds to meet our operational requirements, by holding funds on longer term deposits which mature on a regular rolling basis. These deposits reduced by £2.1m during the year to £10.9m. These funds are treated as current asset investments.

Total cash balances, including monies placed on deposit, reduced in 2019 by £5.1m (2018: reduction of £3.5m) to £15.0m (2018: £20.1m).

The cash outflow in respect of purchased fixed asset additions in 2019 was £2.2m (2018: £3.4m). A further £1.4m outflow (2018: £1.5m) is due to the capital element of finance lease payments, which relate to ambulances purchased on finance leases in previous years. No vehicles were purchased in this manner during either 2018 or 2019.

We disposed of 10 properties (2018: 18 properties) surplus to our needs during the year and generated £2.0m (2018: £2.2m) of proceeds from the sale of tangible fixed assets. The resulting gain on disposal was £1.4m (2018: £1.3m).

Investments

The trustees annually reaffirm the policy regarding investments. Cash balances over and above those necessary for operational purposes, including capital expenditure, are available for investment in quoted securities, which can easily be liquidated if required. The purpose of investment is to generate a return so that the value, in real terms, of these reserves is at least maintained. The trustees reviewed the Environmental, Social and Governance outlook of the portfolio and made adjustments to the funds invested accordingly.

The investment manager that is engaged to act as custodian of St John's investments is periodically reviewed. Such a review was completed in 2019, with the incumbent fund manager, BlackRock, retained.

Quoted securities

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

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

UK investments are held in the BlackRock Charities UK Equity ESG Fund, a unit-based fund with environmental, social and governance screening, designed as a vehicle for investment by charities. Overseas securities are held in the form of units in a number of separate geographically focussed BlackRock funds.

Across 2019 the total return from our securities investments, including dividends received, was 15.8% (2018: -6.9%). This was greater than the target figure of RPI +3% for the year. The increase in the RPI during 2019 was 2.2%, with a consequent target for total return from investments of 5.2%.

The total return from the investment portfolio was better than the movement in the FTSE All-Share Total Return Index (which relates to UK securities only), which rose by 10.7% during 2019.

It should be noted that in the first three months of 2020 the investment portfolio valuation fell significantly due to the impact of the coronavirus pandemic, with a subsequent uplift in the markets during the second quarter of the year. The loss on investments for the ten months to 31 October 2020 was £2.2m, following a recovery from an initial loss of £4.0m (24.7%) during the three months to 31 March 2020.

Investment property

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

For accounting purposes, the property comprises two parts:

- That part of the building used by St John for operational purposes is classified as an operational property and is included in the balance sheet at historic cost less accumulated depreciation
- Those parts of the building let to third parties are classified as an investment property and are included in the balance sheet at fair value. This element of the property is included in the balance sheet at its 31 December 2019 valuation of £16.7m. This figure has increased by £0.1m compared to its 2018 valuation of £16.6m following a full valuation as at 31 December 2019.

Reserves policies and Going concern

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

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

Free reserves

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

St John has two measures for free reserves which differ in the treatment of investment property:

Operational free reserves:

Operational free reserves represent reserves which are easily accessible at short notice. These are made up of unrestricted funds after excluding the value of fixed assets, investment property and any other amounts that have been designated for a particular purpose. The value of the investment

property is excluded because it is held as a long term asset as part of the headquarters building but the value of securities investments is included in operational free reserves because they can be sold at short notice if required.

Overall free reserves:

Charity Commission guidelines indicate that free reserves should include the value of the investment property. An overall free reserves figure, in accordance with these guidelines, is therefore also disclosed.

Impact of the coronavirus pandemic

The Covid-19 pandemic has severely impacted the finances of St John, with many revenue generating activities stopped or greatly reduced in 2020. Bank facility funding has subsequently been agreed to provide headroom in order to ensure that the charity can be certain of having enough operational cash available to continue in the future.

It has been agreed by trustees that a higher level of free reserves should be held at the end of 2019 than would normally be the case, to enable the financial position to be managed throughout the period from 2020 to 2022.

As a consequence, the trustees do not consider it appropriate to designate any funds from unrestricted reserves for particular future purposes, such as the maintenance of property and vehicles or the development of business systems, as at the end of 2019.

Expenditure that is necessary for maintenance will only take place if funding exists to enable the work to

go ahead. Where appropriate and available, restricted funds will be utilised.

Level of free reserves

Operational free reserves, excluding investment property and representing the level of free reserves available to support the ongoing activities of St John, are £27.1m (2018: £13.6m).

The overall level of free reserves, following Charity Commission guidelines and including investment property within the free reserves figure, is £43.8m (2018: £30.2m).

The trustees have determined that, under normal circumstances, operational free reserves should be in the range £12m to £20m, and this is reflected in St John's financial strategy. This represents between 1.3 and 2.2 months of expenditure on our core costs.

The corresponding range for the overall free reserves figure, including the value of investment property, is £28m to £36m.

At 31 December 2019, unrestricted funds held by St John totalled £115.1m (2018: £119.2m). These are represented by:

- Designated funds of £71.3m (2018: £89.0m) consisting of:
 - £71.3m (2018: £73.5m) relating to the net book value of heritage assets and tangible fixed assets
 - £Nil (2018: £15.5m) designated for other particular purposes.
- £16.7m (2018: £16.6m) reflecting the fair value of investment property

- Operational free reserves of £27.1m (2018: £13.6m).

Further detail is given in note 25.

The level of free reserves held at the end of 2019 is therefore, for reasons of prudence, greater than the range determined by trustees.

Current forecasts project that free reserves will be at a level that is within the agreed range as at 31 December 2020, albeit again without significant funds being designated for particular purposes.

Going concern

The trustees consider there is a reasonable expectation that St John has, and will continue to have, adequate resources to operate for the foreseeable future.

The Covid-19 pandemic in the first months of 2020 caused the charity to stop all training and events activity from 23 March 2020 onwards, with activity restarting on a limited basis in July 2020. This affected income and cashflow significantly, but was mitigated to some extent by additional income generated from providing extra support to the NHS at this unprecedented time as well as the furlough of some staff where necessary, increased fundraising income and a support grant from central government. In addition, a withdrawal of £5m was made from our investments in June 2020 to help ensure sufficient operational cash flow remained available.

The reduced revenue is also being mitigated by a significant cost

reduction programme, with approximately 180 redundancies estimated to be made by the end of 2020, as the charity looks to return to an operational surplus by 2022.

The charity has accordingly prepared a forecast which shows that, by the end of 2021, St John is projected to be able to continue to trade without making any further divestments from investment holdings.

The second national lockdown, starting on 5 November 2020, has not significantly impacted our ability to deliver first aid training and has not materially altered our projections. During lockdown and in local areas of escalation it is essential that St John are able to continue ensuring through training that essential workplaces have qualified first aiders to keep those working safe.

A credit facility of up to £10m is being discussed with Santander plc. As at 31 October 2020, the total cash balance was £21.2m and the facility is not yet required.

At the same time, the value of the investment portfolio held was £12.4m, enabling the provision of additional funds if required. It is hoped that the agreed facility may not be required to be used, but it will be there if needed.

St John also has substantial reserves held in the form of property and an estates strategy has also been agreed during 2020, including a programme to sell several properties in order to increase the level of reserves and to reduce ongoing expenditure requirements.

The trustees have considered the

forecast and the current position. While there is a heightened level of risk in the current financial environment, and a need to both sell property assets and achieve a future operational surplus in order to replenish reserves, the overall levels of assets held by the charity remain strong.

Taking all of the above into account, the trustees have a reasonable expectation that the charity has adequate resources to continue operating for the foreseeable future, being a minimum of 12 months from the date these financial statements are signed. Accordingly, they believe that the going concern remains the appropriate basis on which to prepare the financial statements.

Trustees' responsibilities statement

The trustees are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and regulations.

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

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

In preparing these financial statements, the trustees are required to:

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

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

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



Structure, governance and management

Organisational structure

The Priory of England and the Islands of the Most Venerable Order of the Hospital of St John of Jerusalem is an unincorporated body, registered with the Charity Commission for England and Wales under charity number 1077265.

The Priory trustees (not the charity) were incorporated by the Charity Commission, under the Charities Act 1993, on 10 November 1999. The Priory is one of a number of autonomous Priories that form The Most Venerable Order of The Hospital of St John of Jerusalem ('the Order').

The trustees of the Priory and the senior executives, are listed on pages 92 to 94. Principal places of business and professional advisers are shown on page 95.

The legal structure of the St John group, which operates in England principally through St John Ambulance, is as follows:

The Priory of England and the Islands of the Order of St John

The Priory is the parent body of St John Ambulance. The Priory Rules are the Priory's constitution document, subject to Royal Charter. These Rules were approved by the Grand Prior of the Order on 23 October 1999 under the authority of the Order's Royal Charter and Statutes. Amended rules were approved by the Grand Prior on 29 January 2018. The Priory Rules are filed with the Charity Commission.

St John Ambulance

A wholly owned subsidiary of the Priory, a company limited by guarantee (company number 3866129) and a charity registered with the Charity Commission for England and Wales as a charity linked to the Priory, under charity number 1077265-1. The Memorandum and Articles of Association of St John Ambulance are its constitution document. The latest version is dated 9 January 2018.

Support St John Limited

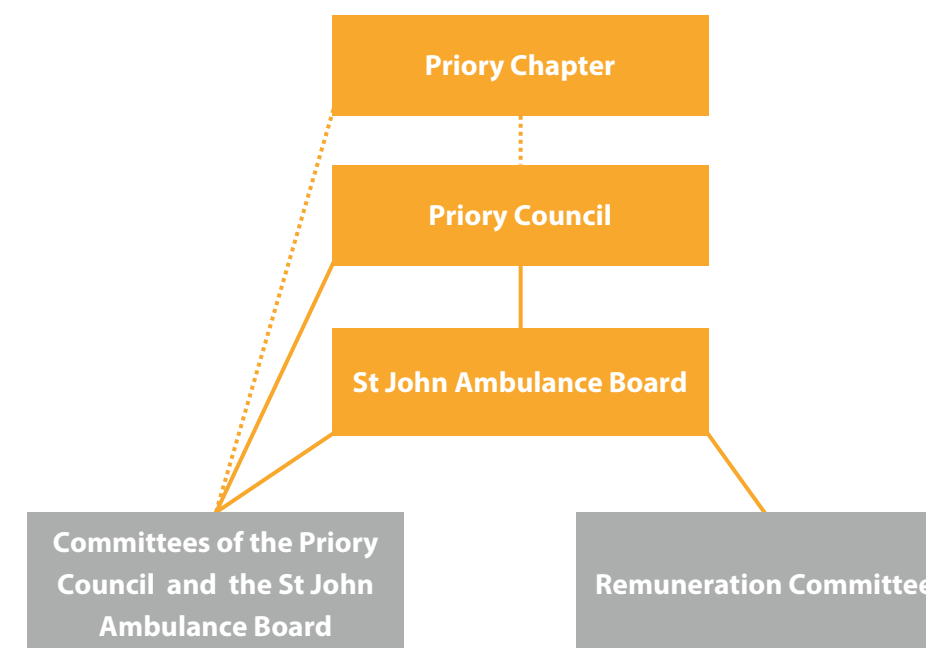
A wholly owned trading subsidiary of St John Ambulance and a company limited by guarantee (company number 1181644). The principal activities of Support St John Limited are sponsorship, marketing, and hosting functions and events. The Memorandum and Articles of Association of Support St John Limited are its constitution document. The latest version is dated 19 October 2000.

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

Governance

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

The members of each of the committees are listed on pages 93 and 94.



Priory Council

The Priory Council is one of the two governing bodies of the Priory. The Priory Council is responsible for the governance and management of the Priory save for the matters that are within the authority of the Priory Chapter. The Priory Council also recommends the appointment of the statutory auditor to the Priory Chapter.

The Priory Council consists of not more than 20 trustees made up of four ex officio and 16 appointed trustees. The four ex officio members are the Prior, the Dean, the Chancellor and the Chief Commissioner who are appointed by the Grand Prior of the Order on the recommendation of the Priory Chapter. The other trustees are appointed by the Priory Chapter following the recommendation of the Nominations Committee. The

functions and powers of the Priory Council are set out in the Priory Rules.

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

A formal trustee induction procedure is in place and an induction pack is provided to all new trustees. The pack contains key information and documents regarding the role of trustees in the charity. In addition, each new trustee is invited to attend induction meetings. Opportunities are identified to enable trustees to gain an understanding and appreciation of the work of St John at a local level. Access is also available to relevant internal and external training courses.

Governance, continued

Priory Chapter

The Priory Chapter is the second of the two governing bodies of the Priory. The Priory Chapter consists of up to 48 members made up of nine ex officio, four selected and 35 appointed members. The nine ex officio members include the Prior, the Dean, the Chancellor and the Chief Commissioner who are appointed by the Grand Prior of the Order on the recommendation of the Priory Chapter. The method for the appointment of the selected and appointed members, and the period of service of Priory Chapter members, is set out in the Priory Rules.

The Priory Chapter provides advice and constructive challenge to the Priory Council. It also recommends the appointment of the four ex officio members of the Priory Council to the Grand Prior of the Order. In addition, the Priory Chapter appoints the other members of the Priory Council. The Priory Chapter also appoints the statutory auditor of the Priory, following the recommendation of the Priory Council.

The functions and powers of the Priory Chapter are set out in the Priory Rules.

St John Ambulance Board of trustee directors

The Board of St John Ambulance trustee directors is the governing body of St John Ambulance. The Board consists of not more than 20 trustee directors. The Prior (who chairs the Board), the Dean, the Chancellor and the Chief Commissioner are automatically trustee directors of St John

Ambulance. The Priory Council appoints the remaining St John Ambulance trustee directors on the recommendation of the Nominations Committee. The functions and powers of the Board are set out in the St John Ambulance Memorandum and Articles of Association.

Priory Council and the St John Ambulance Board operate collectively as two boards, with joint meetings. The structures and governance in place within The Priory of England were reviewed by Deloitte in 2018.

Charity Governance Code

The Charity Governance Code for larger charities is not a legal or regulatory requirement. It sets out recommended practice for good governance. In 2018 the trustees voluntarily approved the adoption of the code for larger charities.

St John meets the principles of the code in the following ways:

Principle 1 – Organisation: regular strategic reviews and periodic governance assessments.

Principle 2 – Leadership: effective Board procedures and scrutiny of the work and role of the Executive Leadership Team.

Principle 3 – Integrity: adherence to the Trustee Code of Conduct (including requirements in relation to any conflicts of interest that might arise).

Principle 4 – Decision-making, risk and control:

clear delegation of operational matters to the Executive Leadership Team, and by appropriate delegation to a small number of committees, in particular, the Audit and Risk Committee. The trustees ensure that there is effective monitoring and approval of the charity's Top Risk Register, and regular assurance and audit checks (including those carried out by the statutory auditor).

Principle 5 – Board effectiveness: regular planned Board meetings, biennial trustee reviews, assessments of required trustee competencies and an open and transparent recruitment process via the Nominations Committee. This is supported by effective inductions and periodic individual reviews. The introduction of periodic group reviews will enhance this further.

Principle 6 – Diversity: there is an open trustee recruitment process, and regular discussion as to how trustee directors might be recruited from a wider pool of individuals. Further work is ongoing in this respect.

Principle 7 – Openness and accountability: regular communication with the charity's stakeholders (especially through Priory Chapter which includes local representation). A Register of Trustee Interests is maintained, and a comprehensive range of policies, procedures and guidelines are provided to aid volunteer and staff engagement.

Management

The Priory Council has overall responsibility for setting our organisational strategy and supporting policies, as well as ensuring that these are implemented and delivered. The Priory Council consults the Priory Chapter as necessary in reaching its decisions.

The Priory Council has delegated to the Board of St John Ambulance the responsibility for setting that charity's strategy and policies.

To provide more rigour and scrutiny, in 2019 we established four new committees to oversee the full range of our activity and which reflected our increased focus on fundraising, our heritage and our people.

Each committee is a joint committee of the Priory Council and the St John Ambulance Board and is chaired by the Priory trustee or Board director who has accountability for that area supported by the relevant functional Executive Leadership Team member, with ultimate responsibility for delivery. Committees have also introduced independent members, who are neither an employee nor a trustee of St John and are selected on the basis of relevant skillsets.

Fundraising Committee

The purpose of our fundraising committee is to provide oversight for the planning and performance of our fundraising strategy, including adherence to the Fundraising Code of Practice. It first met on 18 January 2019. During the course of 2019, it oversaw the renegotiation of our contract with Wesser, the expansion of the function, the creation and

adoption of new fundraising policies and scrutiny of our new campaign approach.

Clinical Committee

Leading standards is a key tenet of St John's 2022 strategy and nowhere is this more important than in our clinical practice. We established the Clinical Committee to provide oversight for clinical matters including governance and assurance. It met for the first time on 2 April 2019 and is responsible for developing the clinical strategy of the charity and ensuring that all clinical care is within statutory guidelines and in keeping with the mission of the charity.

People Committee

St John people are the beating heart of our charity and ensuring that they have a great experience of volunteering or working for us is central to our 2022 strategy. Part of demonstrating our commitment to this was through the establishment of the People Committee, whose first meeting took place on 29 April 2019.

The committee provides assurance that St John is effectively developing, leading and delivering its People Strategy by overseeing delivery of major transformation programmes and providing advice regarding culture and core processes. It also oversees the achievement of the charity's safeguarding objectives.

Heritage Committee

Our heritage is an enormous part of who we are, as it helps us understand both our present and future. It is now front and centre of our future direction and this was reflected in 2019 through the creation of the

Heritage Committee, chaired by a trustee of the Priory Council.

The committee is responsible for ensuring that our historic fabric is maintained, conserved and restored, to champion inclusive public access to our collections and historic estate and to oversee major heritage projects. The benefits of heritage itself to wellbeing have been independently demonstrated so it is incumbent on St John as a health charity to maximise this part of our organisation.

Existing committees

Finance Committee

The Finance Committee provides oversight for finances and financial management of the charity's mission and takes responsibility on behalf of the Board for overseeing all financial aspects of the charity's operations.

The committee reviews the charity's business plan and budget and makes recommendations to the Priory Council and the St John Ambulance Board. It takes joint responsibility with the Audit and Risk Committee for the review and endorsement of the financial elements of the Annual Report. The committee also approves the investments and reserves policy and reviews financial performance against budget, as well as the performance of the charity's investments.

Management, continued

Nominations Committee

Our Nominations Committee provides recommendations to the Priory Council regarding the appointment and reappointment of trustee directors of St John Ambulance and the appointment of Principal Priory Officers and Clinical Officers, as well as the appointment and reappointment of chairs of the committees outlined here.

It is a joint committee of the Priory Council, Priory Chapter, and the St John Ambulance Board, with terms of reference approved by each of these bodies. The committee meets as and when required. The Nominations Committee comprises nine members and is chaired by the Prior. It includes the Dean and the Chancellor as ex officio members. Three members are selected from the Priory Chapter and the remaining three members are independent of both the Priory Chapter and the Priory Council.

Audit and Risk Committee

Improved risk management and scrutiny of our activity are key to ensuring that St John people, donors and supporters can trust St John, in what we do and how we do it. This is overseen by the Audit and Risk Committee, which is a joint committee of the Priory Council and the St John Ambulance Board. It reviews the effectiveness of internal controls, including those for our finances, as well as other risk management systems, the effectiveness of the internal and external audit functions and the clarity and completeness of disclosures in the Annual Report and Accounts of St John.

Remuneration Committee

We recognise that salaries are a controversial area for the charity sector, while also knowing that, to achieve our mission, we need to attract and retain the right people to St John. Our Remuneration Committee was established as an independent body to determine the remuneration and benefits of the Chief Executive and Executive Leadership Team. It also makes recommendations to the Board regarding annual pay awards, the structure, size and composition of the Executive Leadership Team, as well as considering the framework and broad policy for remuneration of all employees.

We use an independently developed system of job evaluation to ensure that our executive remuneration remains in line with other charities of the scale and complexity of St John. Salary levels are set in the context of St John's charitable status and take account of affordability in the light of the charity's financial position.

Delegation of authority

Authority to conduct the daily operations of the Priory and St John Ambulance is delegated by the Priory Council and the St John Ambulance Board of directors to the Chief Executive. The Chief Executive is assisted in the implementation of strategy and policies by the Executive Leadership Team, to whom certain functions are further delegated. The members of the Executive Leadership Team are listed on page 94.

St John people

St John employees and volunteers are consulted on a large range of issues using a variety of mechanisms, such as employee forums at directorate and national level, and the bi-annual volunteer forum. These, and other methods, ensure their voices are heard as we make decisions. In addition, there are a number of ways that we communicate with our people, both in person or using digital channels, such as our intranet (CONNECT), email and newsletters and more traditional printed updates.

We have a range of policies and processes that apply equally, where possible, to employees and volunteers. These promote good management practice, as well as ensuring that we meet minimum legal and regulatory compliance. While too many to list, these include the Conduct & Performance Policy, the Equality, Diversity and Inclusion Policy and the Recruitment & Selection Policy.

We are an equal opportunities employer and make adjustments for members of our workforce with a disability as far as we reasonably can. We have committed in our 2019 strategy to become more like the communities we serve. At the end of 2019 a new initiative 'Celebrating Communities' was established to further this aim and to build a more inclusive St John. Finally, we have several

initiatives, supported by robust processes, which promote effective and compassionate leadership and management.

Auditor

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

Our principal risks and uncertainties

St John faces a range of both internal and external risks. In 2019, we faced a challenging financial environment because of the uncertainty created by Brexit and the impact it had on the economy. Much of this uncertainty remains and will continue until the type of future relationship the UK has with the European Union is clear.

More recently, however, the impact of Covid-19 has posed the most significant risk to St John. While we have been integral to the nation's response, the effects of the national lockdown meant our commercial income streams have been significantly and adversely impacted.

As an active healthcare charity working in the community, our main risks continue to relate to unintentionally causing harm to people and ineffectively meeting key regulators' requirements. We take these risks seriously and continue to develop our approach to ensure the quality and safety of our care. These and other risks have been reviewed to consider the likelihood and impact of both Brexit and Covid-19.

How we manage our risks

As with other areas of our work, 2019 saw us review the process by which St John manages risk, so it became a more integral part of how the charity operates. This has led to each Executive Leadership Team director identifying the major strategic risks to which St John is exposed and establishing controls and actions to mitigate them. Risk assessments and a risk register are in place and are regularly reviewed by the Executive Leadership Team as well as the Audit and Risk Committee.

The Executive Leadership Team directors take appropriate steps to moderate and manage the inevitable operational risks to which volunteers, employees, the assets and the reputation of St John are exposed.

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

The following risks have been assessed in the context of the uncertainty arising from Covid-19 and Brexit. While our overseas trading and currency exposure is limited, a general economic downturn would have an impact on our income, meaning we would be unable to continue to provide the same level of support to those who need us most.

Risk – financial decisions taken today for short term survival could impact the financial sustainability in the long term

No movement in perceived risk in 2020

Key controls and actions:

The formation of a Finance Task Group, which has increased direct dialogue between the Chief Executive, Director of Finance and Resources and the Finance Lead trustee directors. This has helped ensure that financial decisions continue to be considered strategically and there is strong director engagement.

In 2019, we reported a deficit in the income and expenditure statement which demonstrated that action was required to manage St John's financial position. This is anticipated to remain a significant challenge in 2020 as a result of the economic impact of Covid-19. The risk of under investing in infrastructure and key projects, or making decisions about resources needed continue to be reviewed with both an immediate short term perspective, as well as a longer term outlook.

Risk – insufficient leadership is provided to effectively manage the pace and volume of change required

Increase in perceived risk in 2020

Key controls and actions:

A strong Executive Leadership Team is in place, with a review of its effectiveness and development of further skills needed. A Senior Leadership Group has also been identified, from the Heads of functions and our District Managers. A broader programme of leadership support is in development for this community, to ensure there is greater consistency in the quality of leadership. In addition, we have a successful development programme to support those who have the potential to become future managers.

Risk – we may be unable to make the right well-informed decisions at the speed required, if our data maturity does not improve

Reduction in perceived risk in 2020

Key controls and actions:

During our response to Covid-19, we established a robust daily dashboard to help inform our decision making. A broader piece of work has been undertaken to develop a data strategy which will be a key enabler for making improvements. The strategy is expected to articulate key principles that should be followed, identify inter-dependencies and provide a roadmap for improving both the quality of data, as well as its use.

Risk – if robust clinical governance processes are not in place and effective, particularly during times of new and increased types of clinical activity, then unsafe clinical practice or harm to patients may occur

No movement in perceived risk in 2020

Key controls and actions:

An updated clinical governance framework was approved at the start of 2020. The types of clinical activity reduced in variety during Covid-19, although there was a significant increase in the volume of what we did. Much of our work in support of the NHS during Covid-19 was in hospitals and saw St John people under direct clinical supervision. Improvements to the logistics management has helped ensure the right equipment is deployed in a timely manner for safe practices to take place.

We continue to drive increased consistency of practice across our operational activity. We make efforts to learn from incidents that occur and have identified the need to support a learning culture at the heart of what we do.

Risk – the wellbeing of St John people is adversely impacted due to the significant changes that are taking place as a result of Covid-19

Reduction in perceived risk in 2020

Key controls and actions:

We have put policies and procedures in place for operational activities, with national and regional teams to support our people as and when incidents arise. We have identified the key areas that may generate risk, and these are subject to monitoring and reporting at director level, as well as inclusion in the charity's risk register. A strong set of support mechanisms have been created for our people to help them during Covid-19, including a confidential support service, chaplaincy support and a wellbeing hub.

We have sought to ensure our people remain safe and well, including when working from home, but also continue to feel connected with others emotionally, even if they could not be connected physically. With social distancing measures expected to remain for the foreseeable future, continuing to look after the wellbeing of our people is a key priority.

In gratitude

The trustees would like to convey their sincere thanks to all of the donors, volunteers and employees who have so generously given their support to St John, including those listed below.

With their continuing efforts we look forward to enhancing the delivery of our charitable services within the community.

The Jordan Charitable Foundation	Kinetik Wellbeing
The National Lottery Community Fund	Zoll Medical
NESTA	Mental Health First Aid England
Provincial Grand Lodge of Mark Master Masons of East Anglia	Packetts
The Peacock Charitable Trust	Sellafield
Sussex Masonic Charities	
Youth United Foundation	
Malcolm Offord	
Peter Cruddas Charitable Trust	
The Graham Kirkham Foundation	
George Farha	
Andrew Brownsword CBE DL	
St George's Day Club	
Frederik Paulsen OBE KStJ	
Toyota	
Tesco Community Grants	
Nicola Jones	
Barratt Developments PLC	
Bunzl PLC	
Essity	

This report was approved by the trustees on 24 November 2020 and signed on their behalf by:

**Surgeon Rear Admiral Lionel Jarvis
CBE KStJ DL
Prior**



Independent auditor's report

To the trustees of The Priory of England and the Islands.

Opinion

We have audited the financial statements of The Priory of England and the Islands of the Most Venerable Order of the Hospital of St John of Jerusalem (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the trustees and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing

the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

In our evaluation of the trustees' conclusions, we considered the risks associated with the group's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty

in this auditor's report is not a guarantee that the group will continue in operation.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, set out on pages 2 to 95 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report

of the trustees is inconsistent in any material respect with the financial statements; or

- the parent charity has not kept sufficient and proper accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 52, the trustees are responsible for the preparation of the financial statements which give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

This description forms part of our auditor's report.

Use of our report

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

**Grant Thornton UK LLP
Statutory Auditor,
Chartered Accountants,
London
24 November 2020**

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

Financial statements

For the year ended 31 December 2019

Consolidated Statement of Financial Activities

for the year ended 31 December 2019

Note	Unrestricted funds £m	Restricted and endowment funds £m	2019 Total £m	2018 Total £m
Income and endowments from:				
Income from donations and legacies	13.7	3.2	16.9	15.8
Income from charitable activities:				
Delivering first aid:				
First aid provision and youth development	7.2	0.1	7.3	7.1
Ambulance and transport services	12.8	-	12.8	12.5
Community support programmes	1.4	-	1.4	1.5
Equipping the public:				
Training	46.8	-	46.8	44.1
First aid products	12.7	-	12.7	13.0
Other charitable activities	0.1	-	0.1	-
Total income from charitable activities	81.0	0.1	81.1	78.2
Income from other trading activities	1.2	0.1	1.3	1.1
Investment income	1.3	-	1.3	1.3
Other income				
Net gain on disposal of assets	1.4	-	1.4	1.3
Other income	0.4	-	0.4	0.3
Total other income	1.8	-	1.8	1.6
Total income	99.0	3.4	102.4	98.0
Expenditure on:				
Total expenditure on raising funds	9.0	0.1	9.1	9.1
Expenditure on charitable activities:				
Delivering first aid:				
First aid provision and youth development	24.9	1.1	26.0	15.9
Ambulance and transport services	19.8	-	19.8	24.2
Community support programmes	3.9	0.1	4.0	4.0
Equipping the public:				
Training	35.9	0.1	36.0	34.3
First aid products	11.4	-	11.4	12.6
Other charitable activities	1.6	0.2	1.8	2.2
Total resources expended on charitable activities	97.5	1.5	99.0	93.2
Total expenditure	106.5	1.6	108.1	102.3
Gains/(losses) on investments	2.9	0.3	3.2	(3.2)
Net (expenditure)/income	(4.6)	2.1	(2.5)	(7.5)
Transfers between funds	0.5	(0.5)	-	-
Net movement in funds	(4.1)	1.6	(2.5)	(7.5)
Fund balances at 1 January	119.2	4.0	123.2	130.7
Fund balances at 31 December	115.1	5.6	120.7	123.2

The method of allocation of indirect costs across charitable activities changed in 2019. The 2018 comparatives have not been restated. Note 7 provides additional detail.

All income and expenditure in 2019 arises from continuing activities. All gains and losses in the year are included above and accordingly a statement of total realised gains and losses has not been prepared.

The notes on pages 71 to 91 form part of these accounts.

Consolidated balance sheet

As at 31 December 2019

Note	£m	2019 £m	£m	2018 £m
Fixed assets				
Heritage assets	12	2.0	2.1	
Tangible fixed assets	13	69.3	71.4	
		71.3		73.5
Investments				
Securities	14	19.5	16.2	
Investment property	15	16.7	16.6	
		36.2		32.8
		107.5		106.3
Current assets				
Stocks	16	2.8	2.0	
Debtors	17	16.3	17.7	
Current asset investments	18	10.9	13.0	
Cash and short-term deposits	18	4.1	7.1	
		34.1	39.8	
Current liabilities				
Creditors falling due within one year	19	(17.8)	(18.1)	
Net current assets			16.3	21.7
Total assets less current liabilities				
Creditors falling due after more than one year	20	(3.1)	(4.8)	
Net assets			120.7	123.2
Funds				
Unrestricted funds				
Revaluation reserve	26	16.4	15.1	
Other unrestricted funds		98.7	104.1	
Total unrestricted funds			115.1	119.2
Restricted funds				
			4.5	3.1
Endowment funds				
			1.1	0.9
Total funds	25		120.7	123.2

Approved by the trustees of the Priory of England and the Islands on 24 November 2020 and signed on their behalf by:
Surgeon Rear Admiral Lionel Jarvis CBE KStJ DL
Prior

The notes on pages 71 to 91 form part of these accounts.

Consolidated cash flow statement

For the year ended 31 December 2019

	Note	2019 £m	2018 £m
Net cash provided by operating activities	27	(4.6)	(1.2)
<i>Cash flows from investing activities</i>			
Dividends, interest and rents from activities		1.3	1.3
Proceeds from sale of investments		11.2	0.4
Sales of current asset investments		2.1	2.0
Purchases of investments in securities		(11.4)	(1.3)
Proceeds from sale of tangible fixed assets		2.0	2.2
Purchases of tangible fixed assets		(2.2)	(3.4)
Net cash from investing activities		3.0	1.2
<i>Cash flows from financing activities</i>			
Capital element of finance lease payments		(1.4)	(1.5)
Net cash provided by financing activities		(1.4)	(1.5)
Decrease in cash and cash equivalents during the year		(3.0)	(1.5)
Cash and cash equivalents at 1 January		7.1	8.6
Cash and cash equivalents at 31 December	28	4.1	7.1

The notes on pages 71 to 91 form part of these accounts.

Notes to the consolidated accounts

For the year ended 31 December 2019

1. Accounting policies

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

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

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

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

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

'the Eye Hospital' – The St John of Jerusalem Eye Hospital Group which is another foundation of the Most Venerable Order of St John and is registered and operates as a separate charity (charity no. 1139527).

'SOFA' – Statement of Financial Activities.

a. Basis of preparation of accounts

The annual report and accounts are prepared in accordance with the rules of the Priory, in compliance with the Charities Act 2011, the Statement of Recommended Practice - Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with FRS 102 ('the Charities SORP (FRS 102)') and with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) 2019.

The accounts are consolidated on a line by line basis and cover the consolidated financial position and transactions of companies controlled by the Priory, which are detailed in note 31.

St John meets the definition of a public benefit entity under FRS 102.

These accounts do not include the following entities which are not controlled by the Priory:

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

Going concern

The financial statements have been prepared on a going concern basis as discussed in the report of the trustees on page 51.

St John has substantial reserves held in the form of property and an estates strategy has also been agreed during 2020, including a programme to sell several properties in order to increase the level of reserves and to reduce ongoing expenditure requirements.

A review has been performed of detailed income and expenditure and cash forecasts covering the period until 31 December 2021. At the same time, the activities of the charity have been reviewed and a cost reduction exercise undertaken, including a substantial redundancy programme in the summer of 2020.

The trustees have considered both the forecast and the current position, together with stress tests covering differing levels of reductions in income. While there is a heightened level of risk in the current financial environment, and a need to both sell property assets and achieve a future operational surplus in order to replenish reserves, the overall levels of assets held by the charity remain strong.

After taking this information into consideration, the trustees consider there is a reasonable expectation that St John has adequate resources to continue operating for the foreseeable future, being a minimum of 12 months from the date these financial statements are signed. Accordingly, the trustees believe that the going concern remains the appropriate basis on which to prepare the financial statements.

b. The accounts of the Priory

Assets directly owned by the Priory comprise heritage assets acquired before 31 December 1999 and the membership rights in St John Ambulance, a charitable company limited by guarantee. These assets are not attributed a value in the financial statements.

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 Priory Council 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.

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

1. Accounting policies, continued

c. Critical accounting estimates, judgements and assumptions

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

Estimates are separate from judgements and are usually used to determine an amount related to certain assets and liabilities. Judgements are made when applying the accounting policies, where a different judgement may have led to a different accounting treatment, rather than determining the appropriate measurement basis.

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

Judgements

Classification of leased assets

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

Revenue recognition

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

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

Estimates

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

Tangible fixed assets

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

The de minimis limit for the recognition of minor additions to heritage assets and fixed assets is £10,000.

Valuation of investment property

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

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

Accruals, provisions and contingencies

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

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

Additional contributions to multi-employer pension plans

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

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

Recognition of doubtful debts

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

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

1. Accounting policies, continued

d. Historical cost convention

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

e. Income

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

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

f. Expenditure

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

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

g. Heritage assets

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

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

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

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

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

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

1. Accounting policies, continued

h. Tangible fixed assets, depreciation and impairment

Freehold land is stated at cost.

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

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

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

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

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

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

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

i. Investments

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

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

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

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

j. Stocks

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

k. Pension costs

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

St John Ambulance participates in The Growth Plan, a multi-employer pension plan provided by TPT retirement Solutions. The Growth Plan consists of four schemes. Series 4 is a defined contribution scheme. Series 1, 2 & 3, which are closed to new entrants, are defined benefit schemes. As it is not possible for the charity to obtain sufficient information to identify the share of underlying Growth Plan assets and liabilities belonging to individual participating employers, the Growth Plan is accounted for as a defined contribution scheme.

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

l. Foreign currencies

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

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

1. Accounting policies, continued

m. Leases

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

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

n. Taxation

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

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

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

o. Funds

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

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

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

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

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

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

p. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, representing amortised cost, as follows:

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

Forward commitments to purchase foreign currency are recognised at fair value at the date of purchase and are revalued as at the balance sheet date, with any movement recognised in the SOFA.

q. Short term deposits

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

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

2. Income from donations and legacies

	2019	2018
	£m	£m
Donations and gifts	11.8	11.8
Legacies	3.4	2.5
Grants (see note 6)	1.2	1.0
Youth subscriptions	0.5	0.5
	16.9	15.8

3. Income from charitable activities

	Grants (see note 6) £m	Other £m	2019 £m	2018 £m
Delivering first aid:				
First aid provision and youth development	-	7.3	7.3	7.1
Ambulance and transport services	-	12.8	12.8	12.5
Community support programmes	-	1.4	1.4	1.5
Equipping the public:				
Training	-	46.8	46.8	44.1
First aid products	-	12.7	12.7	13.0
Other charitable activities	-	0.1	0.1	-
	-	81.1	81.1	78.2

4. Income from other trading activities

	2019 £m	2018 £m
Rents from operational buildings	0.6	0.6
Merchandising	0.1	0.1
Fundraising events	0.6	0.4
	1.3	1.1

5. Investment income

	2019 £m	2018 £m
Dividends and interest	0.6	0.6
Rents from investment property	0.7	0.7
	1.3	1.3

6. Grants receivable

	Charitable activities (see note 3) £m	Income from donations and legacies (see note 2)	2019 Total £m	2018 Total £m
Grant from The Grand Lodge of Mark Master Masons	-	-	-	0.7
Grant from NHS England re NHS Cadets	-	0.5	0.5	-
Other grants	-	0.7	0.7	0.3
	-	1.2	1.2	1.0

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



Grants from the Big Lottery Fund

	Balance as at 1 Jan 2019 £'000	Incoming resources £'000	Outgoing resources £'000	Balance as at 31 Dec 2019 £'000
Hastings Homeless Service, Sussex	3	-	(3)	-

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

7. Total expenditure

	Direct employee costs £m	Other direct costs £m	Depreciation £m	Other costs £m	Support costs (see note 8) £m	2019 Total £m	2018 Total £m
Expenditure on raising funds							
Campaigning and leadership:							
Fundraising costs	0.9	1.3	0.1	3.6	0.8	6.7	6.4
Publicity and public relations costs	0.9	-	-	0.4	0.7	2.0	2.4
Trading subsidiary costs	0.1	-	-	0.2	-	0.3	0.3
Investment costs	-	-	-	0.1	-	0.1	0.3
	1.9	1.3	0.1	4.3	1.5	9.1	9.1

Expenditure on charitable activities

	Direct employee costs £m	Other direct costs £m	Depreciation £m	Other costs £m	Support costs (see note 8) £m	2019 Total £m	2018 Total £m
Delivering first aid:							
First aid provision and youth development	2.5	6.5	1.4	8.6	7.0	26.0	15.9
Ambulance and transport services	10.3	3.6	1.4	2.6	1.9	19.8	24.2
Community support programmes	1.4	0.3	0.1	0.7	1.5	4.0	4.0
Equipping the public:							
Training	15.5	3.9	0.7	13.2	2.7	36.0	34.3
First aid products	0.4	8.0	0.2	1.1	1.7	11.4	12.6
Other charitable activities	0.5	0.2	-	1.1	-	1.8	2.2
	30.6	22.5	3.8	27.3	14.8	99.0	93.2
Total expenditure	32.5	23.8	3.9	31.6	16.3	108.1	102.3

Fundraising costs include support costs and other indirect costs of £0.9m (2018: £1.4m), which have been allocated as described in the accounting policies (see note 1). Excluding these allocated costs, fundraising costs total £5.8m (2018: £5.0m).

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

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

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

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

Change in method of allocation of indirect costs

The method of allocation used to allocate indirect costs across charitable activities has been amended in 2019 to provide a more detailed allocation calculation, as described on page 44. While the 2018 comparative results have not been restated in these financial statements, the table below shows the 2018 expenditure as it would be reported if the revised 2019 allocation method had been used. The right hand side of the table below shows the change in the allocated indirect cost amounts, as well as a comparison to the allocations included within the 2018 published financial statements.

	Total expenditure with updated comparatives		Change in allocated amounts due to change in methodology			
	2019 £m	Restated 2018 £m	2019 £m	2018 using 2019 methodology £m	Impact on 2018 £m	2018 £m
Campaigning and leadership:						
	9.1	8.3	1.8	1.2	(0.8)	2.0
Delivering first aid:						
First aid provision and youth development	26.0	24.5	14.0	13.6	8.6	5.0
Ambulance and transport services	19.8	18.1	4.3	3.6	(6.1)	9.7
Community support programmes	4.0	3.7	2.0	1.6	(0.3)	1.9
Equipping the public:						
Training	36.0	34.4	12.8	12.5	0.1	12.4
First aid products	11.4	11.7	2.7	2.3	(0.9)	3.2
Other charitable activities	1.8	1.6	-	-	(0.6)	0.6
Total indirect costs	108.1	102.3	37.6	34.8	-	34.8

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

7. Total expenditure, continued

Total expenditure includes:	2019 £m	2018 £m
Operating lease rentals:		
Land and buildings	2.6	2.3
Vehicles and equipment	0.7	0.7
Finance lease interest	0.2	0.2

The auditor's remuneration for the audit of these accounts was £92,000 (2018: £66,000). Non-audit fees in relation to other ad-hoc and advisory work totalling £6,000, in respect of the audit of an annual statement to the Cabinet Office re door to door fundraising and specific additional assurance work, were also payable to the auditors during the year (2018: £19,000).

8. Analysis of support costs

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

	Governance £m	Management £m	Human resources £m	Central finance £m	Information Technology £m	Building management £m	2019 Total £m	2018 Total £m
Campaigning and leadership:								
Fundraising and publicity	0.1	0.6	-	0.5	0.2	0.1	1.5	0.7
Delivering first aid:								
First aid provision and youth development	0.5	3.1	0.6	0.6	1.7	0.5	7.0	1.8
Ambulance and transport services	0.2	0.9	0.2	0.3	0.2	0.1	1.9	4.3
Community support programmes	0.1	0.8	0.1	0.2	0.2	0.1	1.5	0.9
Equipping the public:								
Training	0.2	0.5	0.2	0.6	1.0	0.2	2.7	4.7
First aid products	0.1	0.3	-	0.3	0.9	0.1	1.7	1.0
Other charitable activities	-	-	-	-	-	-	-	0.2
	1.2	6.2	1.1	2.5	4.2	1.1	16.3	13.6

9. Net gains/(losses) on investment assets

	2019 £m	2018 £m
Unrealised gain/(loss) on securities (see note 14)	1.9	(1.7)
Unrealised gain/(loss) on investment property (see note 15)	0.1	(1.6)
	2.0	(3.3)
Realised gain on securities (see note 14)	1.2	0.1
	3.2	(3.2)

10. Employee information

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

	2019 Headcount	2018 Headcount
Charitable activities	1,753	1,646
Generating funds	23	21
Governance	16	16
	1,792	1,683

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

10. Employee information, continued

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

	2019 Full-time	2018 Full-time
Charitable activities	1,482	1,409
Generating funds	21	21
Governance	16	16
	1,519	1,446

Total employee costs

	2019 £m	2018 £m
Salaries, wages and benefits in kind	40.7	37.9
Social security costs	3.7	3.5
Pension and death benefits	3.4	2.6
	47.8	44.0

The above-noted costs include direct employee costs, which are shown in note 7, as well as indirect employee costs and employee support costs. The figure also includes additional employer defined benefit pension contributions payable to TPT Retirement Solutions of £0.4m (2018: £0.3m), as referred to in note 33.

Payments to employees, included in salaries, wages and benefits in kind, payable in relation to the termination of employment during the year totalled £0.7m (2018: £0.4m)

Emoluments of employees

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

Employees who did not receive any termination payments

	2019 Number	2018 Number
£60,001 - £70,000	9	7
£70,001 - £80,000	2	4
£80,001 - £90,000	7	5
£90,001 - £100,000	1	4
£100,001 - £110,000	2	3
£110,001 - £120,000	2	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1

Employees for whom termination payments are payable

	2019 Number	2018 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£100,001 - £110,000	2	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	-
£150,001 - £160,000	-	2
£160,001 - £170,000	1	-
£240,001 - £250,000	1	-

In addition, during the year, employer pension contributions to a defined contribution scheme on behalf of all of these employees amounted to approximately £326,000 (2018: £224,000).

Further details of the St John Ambulance pension scheme are set out in note 33.

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

10. Employee information, continued

Key management personnel

Key management personnel are defined as the trustees of the Priory, the directors of St John Ambulance and the Executive Leadership Team of the charity. The trustees and directors receive no remuneration except for expenses necessarily incurred during the performance of their duties. The members of the Executive Leadership Team are listed on page 94.

The total emoluments of the key management personnel (salaries, wages and benefits in kind, including pension costs, termination payments, employer National Insurance contributions and fees payable), excluding expenses necessarily incurred during the performance of their duties, during the year were £1,101,000 in relation to 8 people (2018: £1,253,000 in relation to 12 people).

Donations made by key management personnel during 2019 were £5,400 (2018: £2,400).

11. Trustees' remuneration and related party transactions

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

The total of expenses (relating principally to travel, subsistence and accommodation) in 2019 was £42,000 (2018: £38,000) relating to 11 trustees (2018: 11).

12. Tangible fixed assets – heritage assets

Cost

At 31 December 2018 and 31 December 2019

	Historic buildings £m	Artefacts £m	Total £m
At 31 December 2018 and 31 December 2019	2.0	0.4	2.4

Accumulated depreciation

At 31 December 2018

Charge for year

At 31 December 2019

At 31 December 2018	0.3	-	0.3
Charge for year	0.1	-	0.1
At 31 December 2019	0.4	-	0.4

Net book value 31 December 2019

Net book value 31 December 2019	1.6	0.4	2.0
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Net book value 31 December 2018

Net book value 31 December 2018	1.7	0.4	2.1
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The amount of depreciation charged in 2019 in respect of historic buildings was £40,000 (2018: £40,000).

St John maintains approximately 60,000 artefacts of which c.2000 are on public display in the Museum and historic buildings of the St John estate in Clerkenwell. The remaining artefacts are held in on-site storage. The items held cover the complete narrative of the Order, from its 11th century foundations, through to extensive social history collections that chart the development and expansion of St John Ambulance. The collection includes historic objects, archival holdings and a library. There is no charge for admission to the Museum although donations are welcome. Further details relating to the history of St John and collections held by the Museum are provided on the Museum's website (www.museumstjohn.org.uk).

The acquisition and disposal of artefacts is carried out according to the Museum's Collection Development Policy, which follows best practice in line with the Museum's Accredited status.

The Museum employees are responsible for the care of collections and heritage assets. Detailed records of collections are maintained and a rolling process of auditing collections and the updating of records continues.

Summary analysis of heritage asset transactions

	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Depreciation – historic buildings only	40	40	40	40	40

The accounting policy in relation to heritage assets is described in note 1.

Over the past five years, there have been no purchases, donations received or disposals of heritage assets that have amended the carrying value of heritage assets held on the balance sheet. St John does not sell artefacts for financial gain, although some minor items may be disposed of in accordance with the Museum's Collection Development Policy and the guidelines of the Museum's Association Code of Ethics.

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

13. Tangible fixed assets

	Freehold property £m	Long leasehold property £m	Short leasehold property £m	Vehicles & equipment £m	Total £m
Cost					
At 1 January 2019	61.5	17.5	3.7	42.5	125.2
Additions	0.8	-	0.1	1.4	2.3
Disposals	(0.7)	-	-	(4.3)	(5.0)
Transfers	-	(0.1)	0.1	-	-
At 31 December 2019	61.6	17.4	3.9	39.6	122.5
Accumulated depreciation					
At 1 January 2019	11.9	4.6	1.9	35.4	53.8
Charge for the year	0.9	0.3	0.2	2.4	3.8
Disposals	(0.1)	-	-	(4.3)	(4.4)
At 31 December 2019	12.7	4.9	2.1	33.5	53.2
Net book value 31 December 2019	48.9	12.5	1.8	6.1	69.3
Net book value December 2018	49.6	12.9	1.8	7.1	71.4

The net book value of assets that are held under finance leases at 31 December 2019 was £2.4m (2018: £3.7m). The depreciation attributable to these assets during the year was £1.3m (2018: £1.4m). All assets held under finance leases are classified as vehicles and equipment.

14. Investments – securities

Analysis of investments at 31 December by category of

	2019 £m	2018 £m
Unit trust	19.5	16.2
	19.5	16.2

Unit trusts include no cash instruments (2018: £Nil).

Analysis of investments at 31 December by location

	2019 £m	2018 £m
Investments in the UK	11.8	9.7
Investments outside the UK	7.7	6.5
	19.5	16.2

Analysis of movements in the securities

	2019 £m	2018 £m
Fair value at 1 January	16.2	17.0
Additions at cost	11.4	1.3
Book value of disposals	(10.0)	(0.4)
Net unrealised gains/(losses) (see note 9)	1.9	(1.7)
Fair value at 31 December	19.5	16.2

A realised gain, net of sale costs, of £1.2m (2018: £0.1m) arose from disposals and has been included in the SOFA as part of the total gains on investment assets (see note 9).

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

14. Investments - securities, continued

The value of the following investments represented more than 5% of the fair value as at 31 December 2019:

	Number of shares	Fair value £m
BlackRock Charities UK Equity ESG fund	5,402,216	11.8
BlackRock iShares North American Equity Index Fund class D accumulating units	870,627	3.7
BlackRock iShares Continental European Equity Index Fund class D accumulating units	803,353	2.1

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

	2019 £m	2018 £m
Fair value	19.5	16.2
Cost	(16.1)	(14.0)
Revaluation surplus	3.4	2.2

The increase in the revaluation surplus is reflected in the SOFA within unrealised gains and losses (see note 9). The impact on the revaluation reserve is explained in note 26.

15. Investment property

Analysis of movements in investment property

	2019 £m	2018 £m
Fair value at 1 January	16.6	18.2
Increase/(decrease) in fair value	0.1	(1.6)
Fair value at 31 December	16.7	16.6

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

The freehold interest in the property was valued as at 31 December 2019 by Daniel Watney LLP, Chartered Surveyors, a firm of independent valuers. The total valuation of the building as at 31 December 2019, including both the operational and investment elements of the property, was £30.8m (2018: £28.2m). Of this amount, £14.1m (2018: £11.6m) is classified as operational and £16.7m (2018: £16.6m) is classified as the valuation of the investment property.

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

The valuation was prepared in accordance with the requirements of the RICS valuation – Global Standards effective 31 January 2020 incorporating the UK National Supplement effective 14 January 2019 and the IVSC International Valuation Standards (the 'Red Book') and UK Generally Accepted Accounting Principles (UK GAAP) and FRS 102.

The valuer's opinion of fair value was primarily derived using recent comparable market transactions on arm's length terms together with other valuation techniques

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

	2019 £m	2018 £m
Fair value	16.7	16.6
Cost at 1 January and at 31 December	3.6	3.6
Revaluation surplus	13.1	13.0

The increase in the revaluation surplus is reflected in the SOFA within unrealised gains and losses (see note 9).

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

16. Stocks

At 31 December stock held amounted to:

	2019 £m	2018 £m
First aid training products and equipment	2.8	2.0
	2.8	2.0

Stock expensed during the year within cost of sales was £8.9m (2018: £9.4m).

An impairment loss of £Nil (2018: £0.1m) was recognised against stock during the year due to slow moving and obsolete stock.

No stock is pledged as security as at the balance sheet date (2018: £Nil).

17. Debtors

	2019 £m	2018 £m
Trade debtors	11.3	11.9
Legacies receivable	0.3	0.2
Other debtors	0.1	0.1
Prepayments and accrued income	4.6	5.5
	16.3	17.7

18. Cash and short term deposits

Cash and short term deposits includes monies held in interest-bearing bank accounts as well as monies held on short-term deposit with an initial maturity on deposit of less than three months (see note 28).

As at 31 December 2019, amounts totalling £10.9m (2018: £13.0m) were held within a series of 12 month term deposits. These deposits mature on a rolling basis and are treated as a current asset investment and excluded from cash at bank and in hand.

19. Creditors falling due within one year

	2019 £m	2018 £m
Trade creditors	4.5	4.9
Obligations under finance leases	1.2	1.5
Pension contributions (see note 34)	0.7	0.7
Taxes and social security	2.0	2.0
Holiday pay	0.5	0.4
Other creditors	-	0.1
Accruals	4.4	4.1
Deferred income (see note 21)	4.5	4.4
	17.8	18.1

20. Creditors falling due after more than one year

Amounts falling due after more than one year comprise:

	2019 £m	2018 £m
Finance leases	1.4	2.6
Pension contributions (see note 34)	1.7	2.2
	3.1	4.8

21. Deferred income

	Course fees £m	Other £m	Total £m
Balance at 1 January 2019	3.9	0.5	4.4
Amount released to income	(3.9)	(0.2)	(4.1)
Amount deferred in the year	3.9	0.3	4.2
Balance at 31 December 2019	3.9	0.6	4.5

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

22. Financial commitments

Future minimum operating lease payments

	Land & buildings £m	Vehicles & equipment £m	Total 2019 £m	Land & buildings £m	Vehicles & equipment £m	Total 2018 £m
Leases which expire within						
Less than one year	1.1	0.5	1.6	1.8	0.6	2.4
Two to five years	2.3	0.5	2.8	3.4	0.9	4.3
Over five years	1.4	-	1.4	1.6	-	1.6
	4.8	1.0	5.8	6.8	1.5	8.3

Future minimum finance lease payments

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

	2019 £m	2018 £m
Amounts payable within less than one year	1.3	1.6
Amounts payable between two and five years	1.5	2.8
Amounts payable after five years	-	-
	2.8	4.4

23. Capital commitments

At 31 December capital commitments contracted for amounted to:

	2019 £m	2018 £m
Vehicles and equipment	-	0.7
	-	0.7

Capital commitments primarily relate to outstanding orders for ambulances, mobile treatment centres and support vehicles.

24. Analysis of total funds

Type of asset and liability

	Unrestricted funds £m	Restricted funds £m	Endowment funds £m	2019 £m	2018 £m
Heritage assets	2.0	-	-	2.0	2.1
Tangible fixed assets	69.3	-	-	69.3	71.4
Securities	17.7	0.7	1.1	19.5	16.2
Investment properties	16.7	-	-	16.7	16.6
Net current assets	12.5	3.8	-	16.3	21.7
Creditors falling due after more than one year	(3.1)	-	-	(3.1)	(4.8)
	115.1	4.5	1.1	120.7	123.2

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

25. Total funds

	1 Jan 2019 £'000	Incoming resources £'000	Outgoing resources £'000	Investment (losses)/gains £'000	Transfers and reallocations £'000	31 Dec 2019 £'000
Restricted funds						
<i>Lottery funds</i>						
Big Lottery Fund – Hastings Homeless Service	3	-	(3)	-	-	-
<i>Other restricted funds</i>						
Airwing travelling fellowships	186	5	(11)	36	1	217
Building purchases and maintenance	28	20	(16)	-	(1)	31
Community care	15	42	(35)	-	(10)	12
Local and sundry funds	1,220	1,915	(642)	39	(437)	2,095
Medical vehicle purchases and maintenance	530	151	(5)	-	487	1,163
R Luff benevolent fund	183	25	(7)	36	-	237
Training funds	143	2	(1)	-	(103)	41
Volunteer development and welfare	277	756	(852)	-	(13)	168
Grant from NHS England re NHS Cadets	-	500	-	-	-	500
Grant from The Grand Lodge of Mark Master Masons	486	-	(7)	-	(479)	-
Total restricted funds	3,071	3,416	(1,579)	111	(555)	4,464
Endowment funds						
G Holland Trust	122	-	-	25	-	147
R Luff benevolent fund	696	-	-	136	-	832
Doug Spence fund	97	-	-	19	-	116
Other funds	13	-	-	-	-	13
Total endowment funds	928	-	-	180	-	1,108
Unrestricted funds						
<i>Designated funds</i>						
Purchase and replacement of vehicles	2,490	-	(166)	-	(2,324)	-
Building refurbishment	2,508	-	(2,508)	-	-	-
Business processes and systems	4,440	-	(1,319)	-	(3,121)	-
Fundraising initiatives	6,047	-	(476)	-	(5,571)	-
	15,485	-	(4,469)	-	(11,016)	-
Fixed asset reserve – representing the book value of unrestricted fixed assets	73,474	-	-	-	(2,216)	71,258
Total designated funds	88,959	-	(4,469)	-	(13,232)	71,258
Investment property	16,640	-	-	30	-	16,670
Unrestricted funds (operational free reserves— see page 50)	13,580	98,973	(102,069)	2,886	13,787	27,157
Total unrestricted funds	119,179	98,973	(106,538)	2,916	555	115,085
TOTAL FUNDS	123,178	102,389	(108,117)	3,207	-	120,657

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

25. Total funds, continued

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

Transfers and reallocations between funds arise from transfers between unrestricted and restricted funds, including the derestriction of fixed assets which have been purchased utilising restricted fund balances.

Endowment funds

Endowment funds represent:

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

Designated funds

Designated funds which are, except for the fixed asset reserve, expected to be spent in 2020 and later, represent:

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

26. Revaluation reserve

	2019 £m	2018 £m
The revaluation reserve comprises the following elements, which are held within unrestricted funds		
Investment property	13.1	13.0
Operational free reserves (excluding investment property)	3.3	2.1
	16.4	15.1

The movement in the revaluation reserve of £1.3m during the year from £15.1m to £16.4m, shown within unrestricted funds, represents the unrealised increase in 2019 in the fair value of the investment property of £0.1m and the unrealised gain on unrestricted securities of £1.9m, less the £0.7m impact on the revaluation reserve of disposals of unrestricted securities.

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

	2019 £m	2018 £m
Net income	(2.5)	(7.5)
<i>Adjustments for:</i>		
Net gain on disposal of tangible fixed assets	(1.4)	(1.3)
(Gains)/losses on investments	(3.2)	3.2
Dividends, interest and rents from investments	(1.3)	(1.3)
Depreciation	3.9	4.0
(Increase)/decrease in stocks	(0.8)	0.4
Decrease in debtors	1.4	0.9
(Decrease)/increase in creditors	(0.7)	0.4
Net cash provided by operating activities	(4.6)	(1.2)

28. Analysis of cash and cash equivalents

	2019 £m	2018 £m
Cash in hand	4.1	7.1
Total cash and cash equivalents	4.1	7.1

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

29. Changes in net debt

	As at 1 Jan 2019 £m	Cashflow movements £m	As at 31 Dec 2019 £m	As at 1 Jan 2018 £m	Cashflow movements £m	As at 31 Dec 2018 £m
Cash	7.1	(3.0)	4.1	8.6	(1.5)	7.1
Finance lease obligations	(4.1)	1.5	(2.6)	(5.6)	1.5	(4.1)
	3.0	(1.5)	1.5	3.0	-	3.0

30. Financial instruments

	2019 £m	2018 £m
Carrying amount of financial assets		
Measured at amortised cost (comprising trade debtors, cash and cash equivalents and current asset investments)	26.3	29.7
Instruments measured at fair value through the SOFA (comprising investments)	19.5	16.2
	45.8	45.9
Carrying amount of financial liabilities		
Measured at amortised cost (comprising trade creditors, lease creditors, holiday pay and accruals)	12.1	13.5
	12.1	13.5

31. Subsidiary companies

The Priory controls the two companies listed below.

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

Support St John Limited, a non-charitable trading subsidiary of St John Ambulance, through which activities are conducted that are not compatible with the charitable status of St John Ambulance. Taxable profits are transferred to St John Ambulance under gift aid. Support St John Limited is a company limited by guarantee and does not have any share capital. St John Ambulance has undertaken to contribute an amount not exceeding £10 on a winding up of Support St John Limited. A summary of the results of the subsidiaries for 2018 and 2019, as well as the aggregate amount of their assets, liabilities and funds as at 31 December of each year included in the St John accounts, is shown below.

	St John Ambulance		Support St John Limited	
	2019 £m	2018 £m	2019 £m	2018 £m
Income	102.0	97.7	0.4	0.3
Expenditure	(107.8)	(102.0)	(0.3)	(0.3)
Operating (loss)/profit	(5.8)	(4.3)	0.1	-
Gift aid	0.1	-	(0.1)	-
Gains/(losses) on investment	3.2	(3.2)	-	-
Retained (loss)/profit	(2.5)	(7.5)	-	-
Assets	141.5	146.0	0.2	0.1
Liabilities	(20.8)	(22.8)	(0.2)	(0.1)
Funds	120.7	123.2	-	-

32. 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 2019 the Priory contributed £0.3m (2018: £0.3m).

The Priory is also associated with the Eye Hospital. The Priory contributed £0.2m to the Eye Hospital in 2019 (2018: £0.2m).

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

33. Pension scheme

St John Ambulance

Pension arrangements

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

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 Series 1, 2 and 3 are defined benefit schemes which provide benefits to some 950 non-associated participating employers. It is not possible for the charity to obtain sufficient information to identify the share of underlying Growth Plan assets and liabilities belonging to individual participating employers. Growth Plan assets are co-mingled for investment purposes and benefits are paid from the total Plan assets. Therefore, the Growth Plan is accounted for as a defined contribution scheme.

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

Membership and pension contributions

St John Ambulance paid contributions to all three plans at rates between 4% and 10% of the qualifying pensionable salary during the year. Members paid contributions generally between 4% and 10% during the year. Auto-enrolment of all employees into a pension plan came into effect from 1 October 2013. As at the year end, there were 1,455 employees (2018: 1,291) of St John Ambulance who were members of the available TPT Retirement Solutions plans, including 1,297 in the Growth Plan (2018: 1,185).

The total pension contributions payable to TPT Retirement Solutions in relation to 2019, including employee contributions, were £4.0m (2018: £3.5m). The amount owing to TPT Retirement Solutions at 31 December 2018 was £0.3m (2018: £0.3m).

Actuarial valuations

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

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

A full actuarial valuation of the Growth Plan was performed as at 30 September 2017 by a professionally qualified actuary using the Projected Unit Method. The financial assumptions underlying the valuations were as follows:

	2017 valuation % pa	2016 update % pa	2015 update % pa	2014 valuation % pa
Investment return pre-retirement	3.1	2.6	3.6	4.2
Investment return post-retirement	2.3	1.7	2.7	3.3
Rate of price inflation – Retail Prices Index (RPI)	3.4	3.0	3.0	3.1
Rate of price inflation – Consumer Prices Index (CPI)	2.5	2.1	2.1	2.2

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

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

33. Pension scheme, continued

Actuarial valuations, continued

The scheme actuary has prepared a full actuarial valuation as at 30 September 2017. The fair values of the Growth Plan's assets as at the valuation date of 30 September 2017, as well as for previous years, are shown in the following table:

	2017 valuation £m	2016 update £m	2015 update £m	2014 valuation £m
Assets	795	901	857	793
Technical provisions (past service liabilities)	(926)	(1,052)	(996)	(970)
Shortfall of assets compared to the value of liabilities	(131)	(151)	(139)	(177)
Funding level	85.8%	85.7%	86.1%	81.8%

The actuarial valuation as at 30 September 2017 is the latest available. The next full actuarial valuation will be carried out as at 30 September 2020.

Deficit contributions

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

A full actuarial valuation of the scheme was carried out at 30 September 2014. This valuation showed a funding shortfall of £177m. To eliminate this funding shortfall, the trustee asked participating employers to pay additional contributions to the scheme, calculated at £13.0m, increasing by 3% per annum on 1 April each year, from 1 April 2016 to 31 March 2028.

Subsequently, an updated full actuarial valuation of the scheme was carried out at 30 September 2017. This valuation showed a funding shortfall of £131m. To eliminate this funding shortfall, the trustee has updated the additional contribution amounts above and asked participating employers to pay additional contributions to the scheme, calculated at £11.2m, increasing by 3% per annum on 1 April each year, from 1 April 2019 to 31 January 2025. Unless a concession has been agreed with the trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Growth Plan Series 1 and Series 2 scheme liabilities.

The additional contributions required from St John Ambulance were initially levied at £345,000 per annum from 1 April 2016, increasing at 3% per annum. From 1 April 2019 the amount payable was £388,000 per annum. From 1 April 2020 the amount payable is £400,000 per annum. Payments continue, increasing at 3% per annum, until 31 January 2025.

Where the scheme is in deficit and the participating employer has agreed to a deficit funding arrangement, the employer recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions made under the agreement that relates to the deficit. The present value is calculated using the discount rate disclosed in the assumptions in note 34. The unwinding of the discount rate is recognised as a finance cost. Further details of the liability are also given in note 34.

Cessation of membership

The Growth Plan is classified as a 'last man standing' arrangement. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

In the event of a complete withdrawal from the Growth Plan by St John Ambulance or if TPT Retirement Solutions were wound up, St John Ambulance would have a legal liability to pay a share of the accumulated deficit in the Growth Plan, as calculated on an annuity purchase basis. The current contingent liability for St John Ambulance, based on an actuarial estimate at 30 September 2019, is estimated at £5.5m (30 September 2018: £5.3m). This liability is affected by changes in the fair value of the Growth Plan assets due to stock market fluctuations. There is no intention on the part of St John Ambulance to withdraw from the Growth Plan.

34. Pension contributions liability

(i) Total pension contributions liability

	2019 £m	2018 £m
Pension contributions payable on salaries	0.3	0.3
Present value of provision relating to additional pension	2.1	2.6
	2.4	2.9
Amounts falling due within one year (see note 19)	0.7	0.7
Amounts falling due after more than one year (see note 20)	1.7	2.2
	2.4	2.9

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

34. Pension contributions liability, continued

(ii) Reconciliation of opening and closing provisions relating to additional pension contributions

	2019 £m	2018 £m
Provision at 1 January	2.6	3.0
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(0.4)	(0.4)
Re-measurements – impact of any change in assumptions	(0.1)	-
Provision at 31 December	2.1	2.6

(iii) Income and expenditure impact

	2019 £m	2018 £m
Interest expense	-	-
Re-measurements – impact of any change in assumptions	(0.1)	-
Total cost recognised in Statement of Financial Activities	(0.1)	-

(iv) Assumptions

	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
	% per annum	% per annum	% per annum	% per annum	% per annum
Discount rate used	1.13	1.75	1.39	1.44	2.50

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

(v) Deficit contributions schedule

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

Amounts payable in each future year as at the balance sheet	2019 £'000	2018 £'000
Year 1	397	374
Year 2	408	385
Year 3	421	397
Year 4	433	409
Year 5	446	421
Year 6	37	434
Year 7	-	334

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

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

35. Post balance sheet event

The coronavirus pandemic caused the group to stop all training and events activity from 23 March 2020 onwards, with activity restarting on a limited basis in July 2020. This affected income and cashflow significantly, but was mitigated to some extent by additional income generated from providing extra support to the NHS at this unprecedented time as well as the furlough of some staff where necessary, increased fundraising income and a support grant from central government. In addition, a withdrawal of £5m was made from our investments in June 2020 to help ensure sufficient operational cash flow remained available and a credit facility of up to £10m is being discussed with Santander plc.

The activities of the group have been reviewed and a cost reduction exercise undertaken, including a substantial redundancy programme in the summer of 2020 as the group looks to return to an operational surplus by 2022. On review of the financial forecasts to the end of December 2021, the trustees have concluded that St John's ability to continue as a going concern is not affected. Further details are provided on pages 50 to 51.

Notes to the consolidated accounts

For the year ended 31 December 2019, continued

36. Comparative results for the year ended 31 December 2018, by type of fund

	Note	Unrestricted funds £m	Restricted and endowment funds £m	2018 Total £m
Income and endowments from:				
Income from donations and legacies	2	13.6	2.2	15.8
Income from charitable activities:				
Delivering first aid:				
First aid provision and youth development		7.1	-	7.1
Ambulance and transport services		12.5	-	12.5
Community support programmes		1.5	-	1.5
Equipping the public:				
Training		44.0	0.1	44.1
First aid products		13.0	-	13.0
Other charitable activities		-	-	-
Total income from charitable activities	3	78.1	0.1	78.2
Income from other trading activities	4	1.1	-	1.1
Investment income	5	1.3	-	1.3
Other income				
Net gain on disposal of assets		1.3	-	1.3
Other income		0.3	-	0.3
Total other income		1.6	-	1.6
TOTAL INCOME		95.7	2.3	98.0
Expenditure on:				
Total expenditure on raising funds	7	9.1	-	9.1
Expenditure on charitable activities:				
Delivering first aid:				
First aid provision and youth development		15.3	0.6	15.9
Ambulance and transport services		24.2	-	24.2
Community support programmes		3.9	0.1	4.0
Equipping the public:				
Training		34.3	-	34.3
First aid products		12.6	-	12.6
Other charitable activities		2.1	0.1	2.2
Total resources expended on charitable activities	7	92.4	0.8	93.2
TOTAL EXPENDITURE	7	101.5	0.8	102.3
Losses on investments	9	(3.0)	(0.2)	(3.2)
Transfers between funds	25	1.7	(1.7)	-
NET MOVEMENT IN FUNDS		(7.1)	(0.4)	(7.5)
Fund balances at 1 January 2018		126.3	4.4	130.7
FUND BALANCES AT 31 DECEMBER 2018	25	119.2	4.0	123.2

Royal patrons, priory council of trustees, management and principal committees

Royal Patrons

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

Priory Council of Trustees

The names of the members of the Priory Council of Trustees who have served since 1 January 2018 and the senior executives are set out below. Details of the key committees of the Priory Council are shown on pages 81 to 82.

Surgeon Rear Admiral Lionel Jarvis CBE KStJ DL Prior*	1,3	
Mr M Messinger LVO KStJ QPM DL Chancellor*	1,3,6	
The Very Revd. Dr Nicholas Frayling KStJ Dean*	1,6	Retired 25 June 2020
The Very Revd. Dr John Hall KCVO CStJ Dean*	1,6	Appointed 25 June 2020
Mrs A Cable MBE DStJ DL Chief Commissioner*	1,2,3,7	
Mrs J Gough OBE	6	
Mr S Frost CStJ	2,4	
Sir David Hempleman-Adams KCVO OBE KStJ DL		
Mr N Wood MBE	2,5	

Priory Secretary

Mr T Hyun	Appointed 28 July 2020
Mr M Scott-Pearce	Appointed 26 November 2019, resigned 28 July 2020
Ms R Chapman	Appointed 23 July 2019; resigned 16 November 2019
Mr M Houghton-Brown	Resigned 23 July 2019

* Also a director of St John Ambulance .

1. Member of Nominations Committee
2. Member of Audit and Risk Committee
3. Member of Remuneration Committee
4. Member of Finance Committee
5. Member of Fundraising Committee
6. Member of Heritage Committee
7. Member of People Committee

Royal patrons, priory council of trustees, management and principal committees

Nominations Committee

Chair – Surgeon Rear Admiral Lionel Jarvis CBE KStJ DL

Mr S Bell (appointed 1 November 2020)
 Ms M Boland CStJ
 Mrs A Cable MBE DStJ DL (appointed 1 November 2019)
 Mr J Dempster CB OSTJ
 The Very Revd. Dr Nicholas Frayling KStJ (retired 25 June 2020)
 Ms L Gordon (appointed 1 November 2020)
 The Very Revd. Dr John Hall KCVO CStJ (appointed 25 June 2020)
 Mr P Herbage MBE KStJ
 Ms S Lowndes-Jones MStJ (retired 25 June 2020)
 Mrs E Mackinlay MBE DStJ (retired 1 November 2020)
 Ms J Mark-Richards (appointed 1 November 2020)
 Mr M Messinger LVO KStJ QPM DL
 Ms S Morgan MStJ (retired 25 June 2020)

Audit and Risk Committee

Chair – Mr N Wood MBE (appointed as Chair 21 October 2020)

Chair – Mr D Springthorpe MStJ (appointed as Chair 1 January 2019, resigned 15 October 2020)

Mrs A Cable MBE DStJ DL (appointed 30 October 2020)
 Mr S Frost CStJ
 Mr B Harayda (appointed 9 October 2020)
 Mr S Hargrave
 Mr J Hayes
 Ms L Smith
 Ms V Storey (retired 14 November 2019)

Remuneration Committee

Chair – Ms J Mee MStJ

Mrs A Cable MBE DStJ DL
 Surgeon Rear Admiral Lionel Jarvis CBE KStJ DL
 Mr M Mansigani OSTJ
 Mr M Messinger LVO KStJ QPM DL

Finance Committee

Chair – Mr S Frost CStJ

Ms R Foreman
 Mr M Gibbons CStJ
 Mr M Mansigani OSTJ
 Mr J Macnamara CStJ TD VR JP
 Mr D Springthorpe MStJ (resigned 15 October 2020)

Royal patrons, priory council of trustees, management and principal committees

Fundraising Committee

Chair – Dr D Reeves OSTJ (appointed as Chair 21 October 2020)

Chair – Mr N Wood MBE (resigned 21 October 2020)

Ms M Coleman OSTJ

Clinical Committee

Chair – Professor Sir Keith Porter

Dr S Davies (appointed 1 August 2020)

Professor I Greaves OSTJ

Dr D Reeves OSTJ

Ms V Storey (resigned 1 August 2020)

Dr L Thomas MStJ

Mr S Verdon (appointed 1 November 2019)

Mr A Wapling CSTJ (resigned 1 March 2020)

Mr R Webber CSTJ

The inaugural meeting of the Clinical Committee was held on 2 April 2019

Heritage Committee

Chair – Mrs J Gough OBE

The Very Revd. Dr Nicholas Frayling KStJ (retired 25 June 2020)

The Very Revd. Dr John Hall KCVO CSTJ (appointed 25 June 2020)

Mr M Messinger LVO KStJ QPM DL

Dr J Warren OSTJ

The inaugural meeting of the Heritage Committee was held on 18 September 2019

Executive Leadership Team

Mr M Houghton-Brown, Chief Executive

Ms S Duthie, Director of Priory Affairs

Mr S Foster, Director of People and Organisation

Mr M Fox, Director of Training and Enterprise

Mr T Hyun, Director of Governance, appointed 30 March 2020

Ms J T Keaney, Director of Finance and Corporate Services, resigned 29 November 2019

Mr R Lee MStJ QAM, Chief Operating Officer

Ms R Mauger, Director of Fundraising

Mr J Radford, Director of Strategy and Communications

Ms Y Smithers, Director of Finance and Resources, appointed 28 July 2020

People Committee

Chair – Ms J Mee MStJ

Mrs A Cable MBE DStJ DL

Ms M Coleman OSTJ

Mr C Frederick

Mr K Munday MStJ

Mr A Taylor

Ms L Wallace OSTJ

Mr A Wapling CSTJ

The inaugural meeting of the People Committee was held on 29 April 2019

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

020 7324 4000
stjohnengland.org.uk

St John Ambulance

27 St John's Lane
Clerkenwell
London
EC1M 4BU

020 7324 4000
sja.org.uk

Support St John Limited

27 St John's Lane
Clerkenwell
London
EC1M 4BU

Auditors

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Investment managers

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

Property advisers

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

Solicitors

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Insurance brokers

Sydney Packett & Sons Limited
Salts Wharf
Ashley Lane
Shipley
BD17 7DB

Pension fund

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

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