



**St John**

**THE ORDER OF ST. JOHN**

**ANNUAL REPORT & ACCOUNTS  
2006**

**Registered Charity No. 235979**

# **The Order of St. John Annual Report and Accounts 2006**

## **The Order of St. John**

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# **The Order of St. John Annual Report and Accounts 2006**

## **The Grand Council, Committees and Advisers**

### **The Grand Council of the Order of St. John**

The Grand Council, whose members are also the Trustees of the charity, comprises the Great Officers and the Hospitaller of the Order together with the Prior, or, if he or she so appoints, the Chancellor of each Priory.

The Great Officers of the Order are:

HRH The Duke of Gloucester KG GCVO (The Grand Prior)  
Mr E L Barry CD (Lord Prior)  
The Rt Revd J Waine KCVO (Prelate)  
Professor A R Mellows OBE TD (Vice-Lord Prior)  
Mr J A Strachan (Deputy Lord Prior - Establishments)  
Captain N Lloyd-Edwards RD JP RNR (Deputy Lord Prior – Finance)

The other members of the Grand Council during the year 2006 were:

Sir Brian Jenkins GBE (Prior, England and the Islands)  
Colonel Sir James Stirling of Garden KCVO CBE TD (Prior, Scotland)  
Mr D H Thomas CBE DL (Prior, Wales)  
Major I A Crowther JCD, MBE (Chancellor, South Africa)  
Mr R G M Fenwick (Chancellor, New Zealand)  
L'Hon R J Marin OMM O Ont CD QC (Chancellor, Canada)  
Professor V R Marshall AC (Chancellor, Australia)  
Mr J R Drexel IV (Prior, the United States of America)  
Mr A H Chignell FRCS FRCOphth (Hospitaller)

Secretary: Rear Admiral A B Gough CB (Secretary-General)

### **Honours and Awards Committee**

Mr E L Barry CD (Lord Prior)  
The Rt Revd J Waine KCVO (Prelate)  
Professor A R Mellows OBE TD (Vice-Lord Prior)  
Mr J A Strachan (Deputy Lord Prior - Establishments)  
Captain N Lloyd-Edwards RD JP RNR (Deputy Lord Prior – Finance)

Secretary: Rear Admiral A B Gough CB (Secretary-General)

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### **Steering Committee**

Mr E L Barry CD (Lord Prior)  
The Rt Revd J Waine KCVO (Prelate)  
Professor A R Mellows OBE TD (Vice-Lord Prior)  
Mr J A Strachan (Deputy Lord Prior - Establishments)  
Captain N Lloyd-Edwards RD JP RNR (Deputy Lord Prior – Finance)  
Mr A H Chignell FRCS FRCOphth (Hospitaller)  
Professor J.M. Stopford DBA  
Rear Admiral A B Gough CB (Secretary-General)

### **Audit Committee**

Captain N Lloyd-Edwards RD JP RNR (Chairman)  
Mr P Bussy (Chief Treasurer, Priory of England and the Islands)  
Colonel N M Sharp MBE TD (Receiver General, Priory of Scotland)  
Mr R.P.V. Rees OBE (Priory for Wales)

Secretary: Rear Admiral A B Gough CB (Secretary-General)

### **Principal Advisers**

#### **Bankers**

Barclays Bank plc  
27 Regent Street  
London SW1Y 4UB

#### **Auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

#### **Solicitors**

Bircham Dyson Bell LLP  
50 Broadway  
London SW1H 0BL

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### **Report of the Grand Council of the Order**

**For the year ended 31 December 2006**

The Grand Council of The Order of St. John, the members of which are the trustees of the charity, has pleasure in presenting its report and financial statements for the year to 31 December 2006. The structure and content of both documents reflect the requirements of the Charity Statement of Recommended Practice, 2005.

This report and the attached financial statements deal solely with matters relating to the Order of St. John. They do not include related organisations such as the eight St John Pories and the 33 St John Associations as each of these are separate legal entities that are neither owned nor controlled by The Order. With the agreement of the Charity Commission for England and Wales, they also exclude The St. John of Jerusalem Eye Hospital, a wholly owned subsidiary company, as it is not controlled by the Order.

#### **Constitution, structure and governance of The Order of St John**

##### *Constitution*

The Most Venerable Order of the Hospital of St. John of Jerusalem, otherwise known as the Order of St. John, has its roots in the eleventh century. It was reconstituted in the United Kingdom and Ireland in 1888 when Queen Victoria incorporated it by granting a Royal Charter and constituted it as an Order of Chivalry of the British Crown. The Order is currently governed by a Royal Charter of 1955 and a Supplemental Royal Charter of 1974 as subsequently amended.

The Sovereign of the United Kingdom is the Sovereign Head of the Order and the Grand Prior, currently HRH The Duke of Gloucester, is always a member of the Royal Family.

The Order is a Christian foundation and is stated in its Statutes to be an ancient Christian brotherhood. It is non-denominational. In its humanitarian work it reaches out to those of any race, class or religion. Membership is not exclusively Christian.

The Order is unique in combining the characteristics of being:

- A Crown Order of Chivalry;
- A Christian confraternity;
- A Charter Corporation; and
- A registered charity – charity number 235979.

##### *Membership*

There are approximately 25,000 members of the Order worldwide, all of whom have become members in recognition of service rendered or to be rendered to the work of the Order. They have been admitted to the Order with the sanction of The Queen as Queen of the United Kingdom, Queen of Canada or Queen of Australia. These members work towards the common goals of “Pro Fide” (For the Faith) and “Pro Utilitate Hominum” (For the Service of Humanity).

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### ***Priories and St. John Associations***

The Priories and St. John Associations are subject to the Charter, Statutes and Regulations of the Order, but in effect operate as a federation of largely autonomous bodies.

Members of the Order resident in countries in which there is a Priory or St John Association, by virtue of their membership of the Order, are also members of the relevant Priory or St. John Association.

There are three organisations of the Order, known as Priories, in the United Kingdom, being the Priories of England and the Islands, Scotland and Wales, and Priories in five other countries, namely South Africa, New Zealand, Canada, Australia and the United States of America.

In 33 further countries, mainly in the Commonwealth, there are organisations known as St. John Associations. The constitutional relationship of these Associations with and within the Order is being progressively defined.

### ***Foundations of the Order***

Most of the objects of the Order are achieved through its organisations known as Foundations. A Foundation comprises (a) the persons, being members of the Order, other volunteers, and salaried staff, who undertake one or more specific objects of the Order, (b) the assets held for those objects, and (c) the activities conducted in pursuance of them. At present there are two Foundations of the Order, the St. John Eye Hospital in Jerusalem and St. John Ambulance. Constitutionally they are structured in different ways.

### ***The St. John Eye Hospital in Jerusalem Foundation***

The Order has one wholly owned subsidiary company - The St. John of Jerusalem Eye Hospital, a self-governing charitable company incorporated in England and Wales and limited by guarantee. The Order, which directly owns the hospital premises, makes them available for use by the company rent-free. In addition, much of the hospital's income derives from donations made by the Priories and St John Associations.

The company, together with the hospital and other premises in Jerusalem constitutes The St John Eye Hospital in Jerusalem Foundation. The Foundation, in various forms, has since 1882, with only a short break during the First World War, provided high quality eye care for the people of the Holy Land.

The present hospital building, opened in 1960, is a fully equipped modern 49 bed hospital with operating theatres and a busy outpatient department. The Foundation also has clinics in Gaza and Hebron.

An outreach service provides mobile clinics to villages and refugee camps in the West Bank, thereby bringing eye care to those who would otherwise have no access to it. The outreach service also provides a screening service for diseases such as diabetes, glaucoma and squint.

The Foundation has at its core a commitment to specialist ophthalmic training for both doctors and nurses from the region.

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### *The St. John Ambulance Foundation*

The St. John Ambulance Foundation, which exists to provide first aid care, first aid training, community care and other care services, has no formal separate legal status but encompasses the aggregate of these activities carried on by the Priories and St. John Associations. The Foundation's activities, in various countries of the world, include providing ambulance services, first aid services including training, sea, cliff and mountain rescue services and running therapy dog programmes. The Foundation is also a major organisation for the training and development of young people. Much of the work of the Foundation is undertaken by some 250,000 St. John Ambulance volunteers.

### *Governance*

The Order is governed by a Grand Council. The members are the Grand Prior, the other Great Officers of the Order, namely the Lord Prior, the Prelate, the Vice-Lord Prior and two Deputy Lord Priors, together with the Priors or Chancellors of each of the Priories and the Hospitaller of the Order. The Secretary-General is the secretary of the Grand Council. Representatives of St. John Associations and the Chief Executive Officers of the Priories are in attendance at meetings of the Grand Council. The Grand Council of the Order meets once each year and held its eighth annual meeting in Edinburgh, Scotland on 9-11 May 2006.

To assist it, the Grand Council has a number of external advisers from which it receives advice and services. Details of the principal advisers are set out on page 3-4.

The Grand Council is also assisted by three standing committees, namely an Honours and Awards Committee, a Steering Committee and an Audit Committee. The Grand Council has delegated the oversight of relevant functions to these committees, but itself determines all significant matters concerning the Order's strategy and policies.

- The Honours and Awards Committee advises the Grand Council on all matters relating to appointments to and promotions in the Order and relating to the eligibility for the award of The Life Saving Medal and the Service Medal. The Committee meets five times each year.
- The Steering Committee's role is to act on behalf of the Grand Council, between Grand Council Meetings, in the case of routine business or urgent matters or in other instances when authorised by the Grand Council. The Committee meets five times each year.
- The Audit Committee advises the Grand Council on matters relating to the Annual Report and Financial Statements, the external audit, risk management and the Order's interest in The St John of Jerusalem Eye Hospital. The Committee meets two times each year.

The members of the Grand Council and of its committees during 2006 are set out on pages 3-4. New members of the Grand Council are inducted and trained informally by existing members of the Grand Council. The Great Officers (other than the Grand Prior) are appointed by the Grand Prior following consultation with the Grand Council. The other members of the Grand Council are the Prior or (if he or she so appoints) the Chancellor of each Priory and the Hospitaller of the Order.

The Secretary-General is the Chief Executive Officer of the Order.

### *Governance reviews*

The Grand Council and its members regularly communicate with the Priories, St John Associations and The St. John of Jerusalem Eye Hospital and through this mechanism receives a regular flow of

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informal advice on the adequacy of the Order's governance arrangements. Periodically the Grand Council and the Steering Committee review more formally the Order's governance arrangements to ensure that they continue to be appropriate and effective, the last such review being in 2005.

### ***Risk Management***

The Order identifies as they arise, and monitors, the major strategic, business and operational risks which it faces and, so far as it is able, manages them to minimise their effect. Systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen the risks. The Grand Council annually reviews these risks and measures to mitigate them.

### **Objects, aims and strategy**

#### ***Objects***

The principal objects and purposes of the Order, as stated in its Statutes, are:

- To encourage all that makes for the spiritual and moral strengthening of mankind;
- To encourage and promote all work of humanity and charity for the relief of persons in sickness, distress, suffering or danger without distinction of race, class or religion;
- To render aid to the sick, wounded, disabled or suffering;
- To promote organisations and to provide technical reserves for the medical services of the Armed Forces and Civil Defence Organisations to be available during civil emergencies or war; and
- To make awards to recognise special services in the cause of humanity, especially for saving life at imminent personal risk.

#### ***Aims and strategy***

Following discussions in the Grand Council meeting in May 2005, the Order Strategic Plan was completed under the guidance of the Lord Prior. The final plan was agreed by the Grand Council out of committee and published to the Order worldwide in December 2005. A review of this plan will be carried out in 2008.

From the Strategic Plan, the goals of the Order are:

- We will protect the integrity and status of the Order as a Crown Order of Chivalry; as a Christian Order; as a Member of the Alliance of the Orders of St John; and as an international humanitarian charity.
- We will continue and enhance the activities of the St John Eye Hospital in Jerusalem.
- We will continue and enhance St John Ambulance activities in all Establishments where they exist.
- We will assist and strengthen St John Associations.
- We will increase our financial resources without prejudice to our charitable status.

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- We will ensure that the existence, status, purpose and works of the Order are understood internally by our members and volunteers, and recognised externally by our relevant national and international stakeholders.
- We will ensure that the governance of the Order is efficient, responsive and supported by Establishments, sub-Establishments, members and volunteers.

Most of the work to further the objects and purposes of the Order is effected through the Pories, St. John Associations and Foundations described above. However, part of this work is carried out directly by the Order itself, namely:

- Liaising with the Pories to encourage the furtherance of its objects and purposes through those bodies.
- Supporting and liaising with St. John Associations to encourage the furtherance of its objects and purposes through those bodies and to contribute to their development.
- Being an order of chivalry and making awards, in the name of the Crown, of medals for conspicuous bravery in saving life and medals for long service.
- Supporting the activities of The St. John of Jerusalem Eye Hospital.

Through these activities, The Order seeks to enhance the co-ordination and co-operation between Pories, St. John Associations and the St. John of Jerusalem Eye Hospital in undertaking their own activities and to present a unified external profile of all these bodies.

### **Activities, achievements and performance during the year**

The Order has developed an Action Plan for implementation of the Strategic Plan, which will be updated annually. The activities, achievements and performance during 2006 are outlined in the following paragraphs.

#### ***Liaising with the Pories and supporting and liaising with the St. John Associations***

Extensive work has been undertaken following the agreement of the Terms of Reference for a Consolidated Plan for the Order Support to St John Associations. A professional consultant was engaged who has conducted extensive workshops and consultation with the Order Secretariat, the Steering Committee, all Pories and St. John Associations. Her report was considered by Grand Council 2006. As a result a Working Group was formed to take forward the development of the plan for approval by Grand Council 2007.

Regional meetings have been continued to be organised by the Order as follows:

- Asia Pacific Regional Meeting in Hong Kong in March 2006;
- African Regional Meeting in Accra., Ghana in September 2006;
- Caribbean Regional Meeting in Grenada in October 2006;

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These meetings have been used as a process for exchanges of views and ideas, to update St John Associations on issues being developed under the auspices of the Grand Council, and to provide an opportunity for training and workshops.

The Order has continued to provide support to the development of the Lifesaver International First Aid Course (LIFAC). A third workshop has been held, which brought together all the St John Associations in Africa which participated in piloting the new course. Funding for the project has been organised by the Order, from both internal and external sources. Following delays caused by the necessary revision of the new Cardiopulmonary Resuscitation, (CPR) protocols the project begins rollout in the early part of 2007.

The Grand Prior's Appeal for Southern Africa, which was launched in 2004 to fund the rollout of Home Based Care Training in Southern African St John Associations by the Priory of South Africa, has raised sufficient funds for an initial launch of the programme. The first country to receive such training was the St John Association of Malawi, which began in November of 2005. This was extended to the St John Associations of Zimbabwe and Uganda during 2006. The training aims to teach underprivileged people the basics of how to care for themselves and their families in the home environment in the absence of external assistance. Integrated into the training are extensive palliative care regimes to assist in the care of people suffering from HIV/Aids, together with modules covering the Integrated Management of Childhood Illnesses (IMCI), a World Health Organisation (WHO) project which targets infant mortality. The five year pilot project in South Africa resulted in a 65% reduction in infant mortality.

The Order continues to co-ordinate financial and material assistance to the St John Associations, particularly in the developing world, through a process of grants for matching funds, provision of training, and assistance to attend meetings etc. Some limited material assistance is also made available, including provision of training aids and First Aid equipment.

In 2006 the Order launched a programme of Capacity Building initiatives within St. John Associations aimed at enhancing their Organisational Capacity. The programme is funded by Legacy income and is intended to last at least ten years. The initial focus of the programme is on African St. John Associations plus Sri Lanka but this will expand over time.

### ***Being an Order of Chivalry***

At the beginning of 2006 a Review Group that had been considering the Order Honours system rendered an extensive report to the Grand Council. The review had been commissioned two years previously, in the light of the then reviews of the UK National honours system. The Order Honours and Awards Committee felt that it was necessary to review the Order Honours and Awards system to ensure that it remained relevant and in step with any significant changes emanating from the National reviews. Grand Council 2006 considered the report of the Review Group after extensive consultation throughout the Order, and agreed its findings. A detailed implementation plan of the resultant changes has been prepared, to be progressively implemented from 1<sup>st</sup> January 2007. These changes ensure that the Order's Honours system continues to acknowledge and honour the contributions of numerous people worldwide to the humanitarian work of the Order of St John. Among the most significant changes to be made are:

- reduction in the number of Grades from six to five;
- change of nomenclature of the Grades to ensure continuing relevance in the modern world;
- reinforcement of the principle of honours being conferred solely on the basis of merit;

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- the removal of all but the most basic elements of any automaticity;
- clarification of the guidance relating to philanthropy.

During 2006, the outstanding efforts of ordinary men and women all over the world was recognised by the admission or promotion of 760 individuals within the Order of St John. In addition, awards were made in recognition of achievements in lifesaving at significant risk to the individuals, as follows:

- Lifesaving Medal in Gold - 1 (England);
- Lifesaving Medal in Silver - 2 (Canada);
- Lifesaving Medal in Bronze - 1 (Dominica)
- Certificate of Honour - 2 (England)

### *Supporting the activities of The St. John of Jerusalem Eye Hospital*

The Order permits The St. John of Jerusalem Eye Hospital to use free of charge the hospital and other premises in Jerusalem and also intellectual property owned by the Order. The Order encourages Priors to make financial contributions to The St. John of Jerusalem Eye Hospital and seeks to make its activities better known. The Hospital itself is a separately registered not-for-profit Company and reports separately.

### *Beneficiaries and Public Benefit*

The persons who have directly benefited from the Order's activities are those who have been recognised by the Order in its role as an order of chivalry for their valour or for their long and meritorious service.

Through its support for the eight Priors, thirty three St. John Associations and The St. John of Jerusalem Eye Hospital, the main categories of the members of the public in many countries who have ultimately benefited from the Order's activities are:

- a. the patients at The St. John Eye Hospital in Jerusalem and its clinics in Gaza and Hebron as well as those treated on outreach programmes in the West Bank;
- b. all those worldwide who have received from a Priory or a St. John Association first aid treatment, ambulance services, sea, cliff and mountain rescue services, community care services, and home-based primary health care;
- c. all those worldwide who have been trained by a Priory or a St. John Association in first aid and in illness and accident prevention; and
- d. all those young people worldwide who have been trained and developed by a Priory or a St. John Association are thereby enabled to enhance their potential to contribute more effectively to their communities.

The Trustees are now considering the Charity Commission's draft Public Benefit guidance, issued in March 2007, to ensure that The Order meets all the criteria.

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## **Financial review for the year**

### **Statement of the Responsibilities of the Grand Council for the accounts**

The Charities Act requires the preparation of accounts for each financial year that give a true and fair view of the state of affairs of the Order and of the net movement of resources for that year. The Grand Council has been responsible for ensuring compliance with these requirements to prepare accounts and in so doing to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the activities of the Order will continue.

The Grand Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Order and to enable it to ensure that the accounts comply with the requirements of the Charities Act 1993. The Grand Council is also responsible for safeguarding the assets of the Order and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

### ***Scope of the financial statements***

The Order does not exercise sufficient control over the Pories, St. John Associations and The St. John of Jerusalem Eye Hospital to make it appropriate to consolidate their accounts. The St. John of Jerusalem Eye Hospital files its own Annual Report and Accounts with the Charity Commission for England and Wales. The separate accounts of the Pories and the St. John Associations include the activities of the St. John Ambulance Foundation within their territories.

### ***Funding***

The principal recurring source of funds for The Order continued to be contributions from Pories, which amounted to £370,000 for the year (2005 £350,060).

The Order received two further tranches from the residue of the estate of Miss Elizabeth Aked amounting to £77,211. It is anticipated that a small final tranche will be received in 2007. The total received from the legacy to date amounts to £603,433. A further legacy of £71,918 from the Corluy estate in Belgium was also received during the year. A Legacy Fund has been established, designated for support of the St. John Associations and, in particular, to provide funding for the Capacity Building Programme. Expenditure is authorised by the Steering Committee. It is intended that the Legacy Fund will be expended over several years, hence the decision to invest the cash balance in Capital Growth Accumulation funds rather than for income generation.

A donation of £10,000 was received during the year. The Grand Council has designated that it be spent on re-design of the Order's website.

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### *Resources expended*

During 2006, The Order spent £432,419 on its charitable activities (2005 £389,743) including support costs and a further £17,602 (2005 £16,239) on governance costs. Details of these costs and the activities to which they relate are set out in note 4 to the financial statements.

### *Balance Sheet*

There have been no material changes to the fixed assets reflected on the balance sheet during the year except for the investment of the money received from legacies. The most significant fixed asset continues to be the freehold property in Jerusalem that is used by The St. John of Jerusalem Eye Hospital. Where practical the majority of The Order's cash is retained in interest-bearing short term deposits until such time as it is needed.

### *Accumulated funds*

The net incoming resources for the year amounted to £127,475 (2005 net incoming resources £152,053). The Order aims to build up, through the accumulation of any annual surpluses, its General Unrestricted Funds to six months worth, namely 50%, of its projected annual expenditure. The level of this Fund at 31<sup>st</sup> December 2006 was £123,263 which represents 24% of projected expenditure for the forthcoming year.

The Fixed Asset Reserve is a designated fund which reflects the value of the Fixed Assets, excluding other investments.

The restricted St. John Associations Development Fund stood at £11,130 at the end of December 2006 of which £830 is restricted for Lifesaver International First Aid Course (LIFAC) and £2,500 for the St. John Association in Dominica and £7,800 for the St. John Association in Malawi.

The designated St. John Associations Development Fund is a fund available to fund core programmes managed by the Order Secretariat in support of St. John Associations. These include:

- Training support
- First aid and ambulance equipment
- Supporting costs of organising regional meetings worldwide.

It has been built up from contributions from Priors for the development of St John Associations.

See the section entitled Funding above for details of the designated Legacy and websites Funds.

### *Investments*

The Steering Committee, on behalf of the Grand Council, initiated an investment programme for the Legacy Fund based on professional advice. This programme was implemented in December 2005. Following receipt of two further tranches of the Aked legacy and the Corluy legacy, further investments were made in May 2006.

### *Financial performance against budget*

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The budget for 2006, set by the Grand Council for unrestricted fund expenditure to be met by contributions from Pories and up to £35,000 withdrawal from the Aked legacy, was for income and expenditure of £425,036. A positive variance of £3,340 resulted. Overall the charity achieved a surplus of £127,475 which was largely due to receipt of further legacy income.

### **The future**

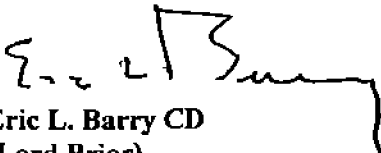
At its annual meeting in May 2007, which will be held in Cape Town, hosted by the Priory for South Africa, the principal focus of discussions will be on St. John Associations in the developing world and, in particular, the approval of a Consolidated Plan for Order Support to St. John Associations 2007-2011.

Progress on the Lifesaver International First Aid Course (LIFAC) continues, led by the Priory of South Africa and assisted by the University of KwaZulu-Natal's Centre for Adult Education. During 2006 final revisions and changes to the new course were made (including the introduction of the new CPR protocols) and the project has begun roll out in Africa.

The Steering Committee has approved expenditure from the Legacy Fund for the first quarter of 2007 aimed at developing specific capacity building initiatives for St. John Associations in Kenya, Uganda and Zambia.

During 2007, the Trustees will consider the Charities Act 2006 and associated regulations and guidance to ensure that the Order meets all their requirements.

Approved by the Grand Council of The Order of St John and signed on its behalf by



**Eric L. Barry CD**  
(Lord Prior)

**10 May 2007**



**Professor A.R. Mellows OBE TD (Vice-Lord Prior)**

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### **Independent Auditors' Report**

### **to the Trustees of the Order of St John**

We have audited the financial statements of the Order of St John for the year ended 31 December 2006, which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of the Grand Council and auditors**

As set out in the Statement of the Responsibilities of the Grand Council, the Grand Council is responsible for the preparation of the financial statements in accordance with the applicable law and United Kingdom Generally Accepted Accounting Practice.

We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Grand Council in accordance with paragraph 7 (2) of the 2005 Regulations made under Part VI, Charities Act 1993 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you, if in our opinion, the Report of the Grand Council is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

#### **Basis of audit opinion**

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

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

#### **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2006 and of its net incoming resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

*PricewaterhouseCoopers LLP*  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors London

*4 June 2007*

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### **Accounting Policies**

#### **Basis of preparation of accounts**

These accounts have been prepared in accordance with the Charities Act 1993, applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities issued in 2005 (2005 Charity SORP).

#### **Scope of the financial statements**

The Order does not exercise sufficient control over the Pories, St. John Associations and The St. John of Jerusalem Eye Hospital to make it appropriate to consolidate their accounts. The St. John of Jerusalem Eye Hospital files its own Annual Report and Accounts with the Charity Commission for England and Wales. The separate accounts of the Pories and the St. John Associations include the activities of the St. John Ambulance Foundation within their territories

#### **Accounting convention**

These accounts have been prepared under the historical cost convention, modified by the valuation of certain intangible fixed assets.

#### **Income and expenditure recognition**

Income has been brought into these accounts on a receivable basis. When income is received subject to conditions, it is initially recorded within creditors as deferred income until such time as the conditions attached to it are met.

Expenditure is recognised when there is a legal or constructive obligation committing The Order to the expenditure.

No value has been placed in these financial statements on the grant by the Order of the free use of the hospital buildings in Jerusalem by the St John of Jerusalem Eye Hospital, as, in the opinion of Grand Council, it would be impracticable to place a value on this facility.

#### **Basis of allocating expenditure**

Expenditure for each activity category is allocated as follows. Staff costs have been allocated to activities according to time spent by on each activity. Shared costs (overheads and depreciation) have been allocated to each activity in the same proportions as the total staff costs.

Governance costs comprise all direct and indirect expenditure that relates to the general running of The Order of St. John, including the strategic planning process that contributes to the future development of the Charity. All other direct and indirect expenditure is classed as charitable activity.

Irrecoverable Value Added Tax is included with the expenditure to which it relates.

#### **Legacies**

Legacies are treated as incoming resources once The Order's entitlement is clear and once it is possible to quantify the amount of the legacy with reasonable accuracy.

#### **Intangible income and expenditure**

Where The Order provides a service to another charity for no charge, if it is possible for the Grand Council to estimate the value of that service it is included in outgoing resources – charitable activities – and also within the appropriate category of incoming resource. Where it is not possible to estimate the amounts involved without undue cost, the substance of the transactions is described in the notes to the financial statements.

# The Order of St. John

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When The Order receives *pro bono* services, the value of the services as determined by the Grand Council, is included both as an incoming resource and an outgoing resource in the Statement of Financial Activities. Time donated by volunteers is not valued.

Where a trustee's travel and subsistence costs are paid either by the trustee himself, or by another party on behalf of the trustee, but are not recharged to The Order, if it is possible to quantify those costs with reasonable accuracy they are included in The Order's accounts both as expenditure and as intangible income. Where such quantification cannot be easily ascertained, an estimate of those expenses is disclosed in a note to the financial statements but is not included in the accounts.

### **Pension Costs**

Pension contributions for staff all relate to a defined contribution scheme administered by the Pensions Trust, an independent organisation. They are accounted for when they fall due.

### **Intangible fixed assets**

Intangible fixed assets represent the value of United Kingdom trademarks and interests in European Union trademarks held jointly with the other Orders within the Alliance of the Orders of St. John. Each United Kingdom trademark is valued at £1,000, being the estimated original cost to the Order of obtaining the trademark. The interest in each joint application for a European Union trademark is valued at the actual cost incurred by the Order.

The trademarks are all renewable and it is intended to renew them. There is no amortization of intangibles, as in the Grand Council's opinion, the impact would not be material.

### **Fixed assets and depreciation**

All fixed assets, or additions to fixed assets, costing more than £2,000 each are capitalised. Fixed assets costing less than that amount are written off in the year of acquisition.

The carrying value of the freehold property is subject to annual review for impairment. No depreciation is provided on it because it is the policy to maintain it in sound condition, and there has been no impairment of the book value.

Depreciation is provided to write off the costs of other fixed assets by equal annual instalments over their estimated useful life as follows:

Short Leasehold – 5 years

Office equipment - 4 years

Heritage assets (see Note 10) when donated are valued at the time of donation and capitalised. They are not depreciated as, in the Grand Council's opinion, the impact would not be material.

### **Investment in subsidiary**

The investment in the subsidiary company is shown at cost.

### **Funds**

Restricted funds are funds that are subject to specific conditions imposed by the donors.

Designated funds are funds that the Order has set aside for specific purposes.

Unrestricted funds are available to be spent at the discretion of the Grand Council to further the objects of the charity.

# The Order of St. John

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### Statement of Financial Activities

For the year ended 31 December 2006

	Note	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated activities:</i>					
Contributions from Pories	1	370,000	-	370,000	350,060
Contribution from a St. John Association		1,901	-	1,901	1,420
Other voluntary income	2	184,265	7,800	192,065	182,408
Interest on deposits		13,530	-	13,530	24,147
<b>Total Incoming Resources</b>		<b>569,696</b>	<b>7,800</b>	<b>577,496</b>	<b>558,035</b>
<b>RESOURCES EXPENDED</b>					
<i>Charitable activities</i>	4	422,449	9,970	432,419	389,743
<i>Governance costs</i>	4	17,602	-	17,602	16,239
<b>Total Resources Expended</b>	4	<b>440,051</b>	<b>9,970</b>	<b>450,021</b>	<b>405,982</b>
<b>NET INCOMING (OUTGOING) RESOURCES</b>		<b>129,645</b>	<b>(2,170)</b>	<b>127,475</b>	<b>152,053</b>
<i>Other recognised gains/losses</i>					
Gains/losses on investments	12	57,219	-	57,219	(4,251)
Net Movement in Funds		186,864	(2,170)	184,694	147,802
<b>FUND BALANCES 1 January 2006</b>		<b>953,995</b>	<b>13,300</b>	<b>967,295</b>	<b>819,493</b>
<b>FUND BALANCES 31 December 2006</b>		<b>£1,140,859</b>	<b>£11,130</b>	<b>£1,151,989</b>	<b>£967,295</b>

The notes on pages 20 to 27 form part of these accounts.

# The Order of St. John

## Annual Report and Accounts 2006

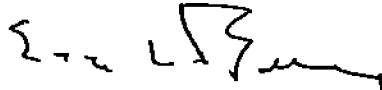
### Balance Sheet

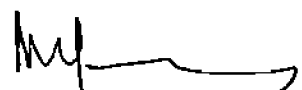
As at 31 December 2006

	Note	2006		2005	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible Fixed Assets	8		10,768		10,768
Tangible Fixed Assets	9		298,500		298,500
heritage assets	10		2,000		2,000
Investment in subsidiary	11		1,625		1,625
			<u>312,893</u>		<u>312,893</u>
Other investments	12		576,668		399,749
			<u>889,561</u>		<u>712,642</u>
<b>CURRENT ASSETS</b>					
Debtors and Prepayments	13	18,228		16,004	
Short Term Deposits		241,384		266,629	
Cash at Bank and in Hand		35,850		3,177	
		<u>295,462</u>		<u>285,810</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts due within one year	14	(31,361)		(31,157)	
<b>NET CURRENT ASSETS</b>					
			<u>264,101</u>		<u>254,653</u>
Total Assets less current liabilities			1,153,662		967,295
Provisions and charges			(1,673)		0
<b>NET ASSETS</b>			<u>£1,151,989</u>		<u>£967,295</u>
<b>FUNDS</b>					
<b>General Unrestricted Funds</b>	16		123,263		93,042
<b>Designated Funds</b>					
Fixed Asset Reserve	16	312,893		312,893	
St. John Associations Dev. Fund	16	48,290		45,626	
Legacies Fund	16	645,968		502,434	
Website Design Fund	16	10,445		0	
			<u>1,017,596</u>		<u>860,953</u>
<b>Total Unrestricted Funds</b>			<u>1,140,859</u>		<u>953,995</u>
<b>Restricted Fund</b>					
St. John Associations Dev. Fund	16		11,130		13,300
<b>TOTAL FUNDS</b>	17		<u>£1,151,989</u>		<u>£967,295</u>

The notes on pages 20 to 27 form part of these accounts.

Approved by the Grand Council of the Order of St. John this 10<sup>th</sup> day of May 2007

  
Eric L. Barry (Lord Prior)

  
Prof. Anthony Mellows (Vice-Lord Prior)

# The Order of St. John

## Annual Report and Accounts 2006

### Notes to the Financial Statements

For the year ended 31 December 2006

#### 1. Contribution from Pories

	2006	2005
	£	£
England & The Islands	147,260	139,294
Scotland	22,194	20,675
Wales	25,364	23,086
South Africa	15,729	14,705
New Zealand	27,509	25,320
Canada	60,578	59,225
Australia	43,516	40,258
United States of America	27,850	27,497
	<u>370,000</u>	<u>350,060</u>

#### 2. Other voluntary income

	2006	2005
	£	£
Donated Travel Expenses	22,833	0
Donations and gifts	12,303	3,594
Legacies	149,129	162,297
Grants and sponsorship	7,800	16,517
	<u>192,065</u>	<u>182,408</u>

The legacy amounts recorded above in 2006 comprise two further instalments from the residue of an estate, the first instalment of which was received in 2004, together with a legacy for the Order from an estate in Belgium.

#### 3. Intangible income and expenditure

The Order provides use of the hospital and other buildings in Jerusalem to The St. John of Jerusalem Eye Hospital free of charge. In addition, the Pories and St John Associations are permitted to use The Order's registered trademarks and intellectual property rights without payment. In the opinion of the Grand Council, it is not possible easily to value these charitable donations and associated intangible income and they are therefore not included in these financial statements.

# The Order of St. John

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### 4. Total Resources Expended

By type of expense, total resources expended comprise:

	Charitable Expenditure			2006 Total £	2005 Total £
	Direct Costs £	Support £	Governance £		
Staff Costs	228,541	7,372	9,830	245,743	237,428
Overheads	38,827	1,252	1,670	41,749	39,985
Other costs	151,850	4,577	6,102	162,529	128,569
<b>TOTAL</b>	<b>419,218</b>	<b>13,201</b>	<b>17,602</b>	<b>450,021</b>	<b>405,982</b>

Staff costs include salaries, national insurance, pensions, training, travel insurance and payroll administration.

Overheads primarily comprise property costs, employers' liability insurance, office machine costs and printing, stationery and postage costs.

Other costs include trustee insurance, audit and legal costs, expenditure in relation to the global trading project, Chancery costs and work with St. John Associations.

Fees payable to the Auditor comprise:

	2006 £	2005 £
Audit fee – current year	9,077	8,812
Fee for other services	0	0
	<b>9,077</b>	<b>8,812</b>

An analysis of expenditure between the main areas of the Order's charitable activities is as follows:

Main area of charitable activity	2006 £	2005 £
Support for St. John Associations	216,610	190,811
Constitutional Affairs and Policy Development	149,821	138,034
Functioning as an Order of Chivalry, Supporting the activities of The St. John Eye Hospital	43,787	40,598
	9,000	8,120
	<b>419,218</b>	<b>377,563</b>
Governance	17,602	16,239
Support	13,201	12,180
	<b>450,021</b>	<b>405,982</b>

# The Order of St. John

## Annual Report and Accounts 2006

### 5. Taxation

The Order of St. John is a registered charity and applies all its income for charitable purposes. It thus claims exemption from UK income tax.

### 6. Employee Information

	2006	2005
Average number of employees	5	5

Staff costs for the above persons:

	2006	2005
	£	£
Salaries	198,847	193,667
Social security costs	21,818	23,411
Pension costs	14,503	14,449
	235,168	231,527

#### Emoluments

In 2006 one employee had emoluments that fell into the £70,001 – £80,000 band, (2005: one employee £60,001-£70,000). Pension contributions for that employee in 2006 amounted to £5,851 (2005 £5,519).

#### Pension Costs

The Charity participates in the Pensions Trust's Growth Plan. The Plan is funded and is not contracted-out of the state scheme. The Growth Plan is a multi-employer pension Plan. The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the 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 Charity paid contributions at the rate of 7.5% of pensionable salary during the accounting period. Members paid contributions between 2.5% to 7.5% during the accounting period.

As at the balance sheet date there were 6 active members of the Plan. The Charity continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

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The last formal valuation of the Plan was performed at 30 September 2005 by a professionally qualified actuary. The financial assumptions underlying the valuation were as follows:

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

As at 30 September 2005, based on the valuation assumptions, the market value of the Plan's assets was £675 million and the Plan's Technical Provisions (i.e. past service liabilities) were £704 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million (equivalent to a past service funding level of 96%). The next full actuarial valuation will be carried out as at 30 September 2008.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The Charity has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2005. As of this date the estimated employer debt was £31,450. In view of the fact that the Charity has no plans to withdraw from the scheme, this contingent liability has not been provided for in the accounts.

### 7. Trustees

Group insurance was purchased at a cost of £6,720 (2005 £6,720) to cover officers and certain members of the Order against possible liabilities incurred by them in relation to their duties.

No member of the Grand Council received any remuneration from the charity during the year.

Great Officers' gross travel and subsistence expenses incurred on Order business, where claimed, amounted to £23,871 (2005: £35,087) in respect of three Officers (2005: four). Two Great Officers incurred travel and subsistence expenses amounting to £22,833 which were not met out of Order funds. These funds have been included as expenditure and intangible income in these accounts.

Other members of the Grand Council incurred travelling and subsistence expenses for the meeting of the Grand Council, which are also not met out of Order funds. In 2006, these were estimated at not less than £20,000, (2005 £20,000) but the figure cannot easily be ascertained with significant accuracy.

The total costs of travel and subsistence for Grand Council members are primarily incurred in furthering the charitable activities of the Order.

### 8. Intangible Fixed Assets

Intangible assets comprise:

- Registered trademarks, which include the Badge of the Order, name of St. John Ambulance, St. John Ambulance Caring for Life and Breath of Life.

# The Order of St. John

## Annual Report and Accounts 2006

- European trademarks which include the names Johanniter and St. John and the white eight-pointed Maltese or Amalfi cross, on red and black backgrounds of square and circular shapes.
- Other Intellectual Property Rights owned by the Order which comprise the Arms of the Order and the copyright in all books and publications written prior to 25 October 1999.

There has been no movement in the book value of intangible fixed assets during the year.

### 9. Tangible Fixed Assets

	Short Leasehold £	Freehold Property £	Office Equipment £	Total £
<b>Cost:</b>				
At 1 January 2006	25,217	620,500	13,723	659,440
At 31 December 2006	25,217	620,500	13,723	659,440
<b>Accumulated Depreciation:</b>				
At 1 January 2006	25,217	322,000	13,723	360,940
Charge for year	-	-	-	-
At 31 December 2006	25,217	322,000	13,723	360,940
<b>Net Book Value:</b>				
31 December 2005	-	298,500	-	298,500
31 December 2006	-	298,500	-	298,500

The short leasehold represents renovations to the offices of the Order Secretariat in Clerkenwell prior to their occupation.

The freehold property, which is owned by the Order, represents the St. John of Jerusalem Eye Hospital (£604,000). Also included is the Muristan property in Jerusalem (£15,500), and rights in Kolossi Castle in Cyprus (£1,000).

In relation to The St. John of Jerusalem Eye Hospital the carrying value is the amount expended by the Order on the acquisition and enhancement of the property between 1960 and 1999, as depreciated to October 1999. Since 1999, all additions to the Hospital buildings have been paid for and capitalised by the subsidiary company – The St. John of Jerusalem Eye Hospital. The Hospital is currently insured for a value of \$US 19,651,983.00

### 10. Heritage assets

Heritage assets comprise the Great Banner (£1,000) and the Cope of Reconciliation (£1,000). There has been no movement in the book value of heritage assets during the year.

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## Annual Report and Accounts 2006

### 11. Investment in The St. John of Jerusalem Eye Hospital

The investment in the company is shown at cost. Since 25 October 1999 the activities of The St. John Eye Hospital have been undertaken by a separate English charitable company (The St. John of

Jerusalem Eye Hospital), which was promoted at that date and of which the Order is the sole member. All operations and assets of the hospital, with the exception of the hospital property, the ownership of which remains with the Order, were transferred to the new company on 25 October 1999. The amount shown represents the cost of incorporating the charitable company.

### 12. Other Investments

	2006	2005
	£	£
At 1 January 2006	399,749	404,000
Cost of Additions	119,700	0
Loss on revaluation	0	(4,251)
Gains on revaluation	57,219	0
At 31 December 2006	<u>576,668</u>	<u>399,749</u>

### 13. Debtors: amounts falling due within one year

	2006	2005
	£	£
Debtors	3,376	15,291
Prepayments and accrued income	14,852	713
	<u>18,228</u>	<u>16,004</u>

### 14. Creditors: amounts falling due within one year

	2006	2005
	£	£
Other creditors	338	2,345
Accruals	9,503	10,351
Deferred income	21,520	18,461
	<u>31,361</u>	<u>31,157</u>

### 15. Funds

#### *Restricted Funds*

The St. John Associations Development Fund contains restricted funds arising from donations received where the donor has specified that they be spent either on particular projects or general support of St. John Associations.

#### *Designated Funds*

The Fixed Asset Reserve is a designated fund that is represented by fixed assets used to enable the Order to carry out its charitable mission. It is therefore not available for general use.

The St. John Associations Development Fund contains funds that have been designated by the Order to be spent in support of the St. John Associations.

# The Order of St. John

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The Legacy Fund comprises monies received principally from the estate of Miss Aked and Mr Corluy, together with related interest income, which the Trustees have designated to be spent on support for St. John Associations.

### General Unrestricted Fund

The General Unrestricted Fund is available to be spent at the discretion of the Grand Council to further the objects of the charity. This fund is required to enable the Order to carry out its charitable objects.

### 16. Analysis of Fund movements for the year

	At 1 January 2006 £	Transfers between funds	Incoming resources £	Outgoing resources £	Other recognised gains/losses £	At 31 December 2006 £
<b>Restricted fund</b>						
St. John Ass. Dev. Fund:	13,300		7,800	(9,970)	-	11,130
<b>Designated funds</b>						
Fixed Asset Reserve:						
Tangible	300,500	-	-	-	-	300,500
Intangible	10,768	-	-	-	-	10,768
Investment in subsidiary	1,625	-	-	-	-	1,625
	312,893		-	-	-	312,893
St. John Ass. Dev. Fund:	45,626	-	26,717	(24,054)	-	48,290
Legacy Fund	502,434	-	202,936	(116,621)	57,219	645,968
Website Design Fund	0	-	11,000	(555)	-	10,455
<b>Total designated funds</b>	<b>860,953</b>	<b>-</b>	<b>240,653</b>	<b>(141,229)</b>	<b>57,219</b>	<b>1,017,596</b>
<b>Other Unrestricted funds</b>						
General Reserve	93,042	-	329,048	(298,827)	-	123,263
<b>Total Funds</b>	<b>967,295</b>	<b>-</b>	<b>577,501</b>	<b>(450,026)</b>	<b>57,219</b>	<b>1,151,989</b>

### 17. Analysis of net assets between funds

	Fixed Assets £	Net current assets £	2006 Total £	2005 Total £
Restricted fund	-	11,130	11,130	13,300
Designated funds:				
Fixed asset reserve	312,893	-	312,893	312,893
St John Assoc. Dev fund	-	48,290	48,290	45,626
Legacy fund	576,668	69,300	645,968	502,434
Website Design fund	-	10,445	10,445	0
Unrestricted general reserve	-	123,263	123,263	93,042
	889,561	262,428	1,151,989	967,295

# **The Order of St. John**

## **Annual Report and Accounts 2006**

### **18. Cash Flow Statement**

Advantage has been taken of the exemption from preparing a cash flow statement available to small entities under FRS1 Cash Flow Statements (Revised).