

**THE PRIORY FOR WALES OF THE
MOST VENERABLE ORDER OF
THE HOSPITAL OF ST JOHN
OF JERUSALEM**

Report and Consolidated Financial Statements

31 December 2012

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
OF THE HOSPITAL OF ST JOHN OF JERUSALEM**

REPORT AND FINANCIAL STATEMENTS 2012

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TRUSTEES' REPORT

Year ended 31 December 2012

INTRODUCTION

In this report, "the Charity" means The Priory for Wales of The Most Venerable Order of the Hospital of St John of Jerusalem and its subsidiary companies.

The trustees present their report, along with the financial statements of the Charity, for the year ended 31 December 2012. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements, and comply with the Charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities (revised 2005)". This trustees report also meets the requirements of a directors' report.

REFERENCE AND ADMINISTRATION INFORMATION

The Charity is a company (No. 5071073) limited by guarantee and does not have a share capital. It is also a registered charity (No. 250523).

The Charity's principal address and registered office is Priory House, Beignon Close, Ocean Way, Cardiff CF24 5PB.

The trustees who served during the financial year and up to the date of signing the financial statements are shown on page 38. The professional advisers of the Charity are as set out on page 40.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Charity is based in Wales with its National Headquarters in Cardiff and trades under the name St John Cymru-Wales.

The Priory Chapter ("Chapter") is the supreme governing and legislative body of the Charity and of all affairs of the Charity within Wales, under the Sovereign Head and the Grand Prior.

The Charity is one of eight autonomous Priors that form The Most Venerable Order of The Hospital of St John of Jerusalem.

The Charity is governed by its Memorandum and Articles of Association and these incorporate the rules, which were approved by the Grand Prior of the Order on 23 October 1999, under the authority of the Order's Royal Charter and Statutes. The rules are also the Charity's constitutional document and are filed with the Charity Commission for England and Wales.

For the financial year 2012 and up to 31 March 2013 the operations of the Charity were conducted through its four subsidiaries.

St John Ambulance in Wales is a company limited by guarantee (No. 5071232). St John Ambulance in Wales is governed by its Memorandum and Articles of Association and is organised into six regions with 118 divisions operating across Wales. The principal activities are:

- Recruitment and training of members of the public in First Aid and care.
- Provision of First Aiders at public events where requested.
- Training of young people from the age of five - teaching them First Aid, care and general citizenship skills.

St John Wales Training Company Limited is a company limited by share capital (No. 3318160) and is governed by its Memorandum and Articles of Association. The principal activity of the company is that of First Aid training and the supply of First Aid and related equipment.

St John Wales Patient Transport Services is a company limited by guarantee (No. 5071126). St John Wales Patient Transport Services is governed by its Memorandum and Articles of Association. The objects for which the company is established are the relief of sickness and the protection and preservation of public health, through the provision to health authorities, hospitals and others, of services including the carriage of patients and other transport requirements.

The principal activity of Maindy Estates Limited (No. 516242) is that of property ownership.

On 31 March 2013 the activities and assets and liabilities of St John Ambulance in Wales (Priory for Wales) and St John Wales Patient Transport Limited were transferred to the Order. The assets and liabilities were transferred at book value.

The new structure effective from 1 April 2013 has been streamlined and the main charitable activities will be conducted through the Order with only two subsidiaries, St John Wales Training Company Limited and Maindy Estates Limited.

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Governance

The governing body of the Charity is the Chapter. The members of the Chapter are also trustees of the Charity for the purpose of the Charities Act. The number of trustees shall be not less than ten but unless otherwise determined by the Priory in general meetings shall not be subject to any maximum.

The Priory Chapter meets at least four times a year and is chaired by the Prior. The Priory Chapter, also subject to Priory regulations, appoints standing committees, as appropriate, to assist the Priory Chapter.

Management

The trustees are responsible for setting strategies and policies and for ensuring that these are implemented. To assist with this work, the trustees currently have three subsidiary company boards and seven standing committees.

St John Eye Hospital Foundation Committee

The Eye Hospital Foundation Committee's primary objective is to consider all items affecting policy relating to the Hospital Foundation in Wales and make recommendations thereon. The committee meets three times a year and is also responsible for preparing the strategy for the Charity in relation to the Foundation, monitoring its implementation and advising Priory Chapter thereon. The committee is chaired by the Hospitalier.

Honours and Awards Committee

The Honours and Awards Committee meets once a year and recommends admissions to and promotions within the Order below the rank of Knight and Dame, the award of Priory Votes of Thanks and the award of the Life Saving Medal or a Certificate of Honour of the Order. It can also make nominations for Civil Honours and Awards and promotions to Knight or Dame. The committee is chaired by the Prior.

Ecclesiastical Committee

The Ecclesiastical Committee advises the Prior on all spiritual and ecclesiastical matters pertaining to the Priory. It also takes note of guidance issued by the Prelate through Grand Council. The committee approves forms of service and prayers used by the Priory. The committee meets twice a year and is chaired by the Senior Prelate of the Priory.

Audit and Risk Committee

The Audit and Risk Committee reviews the effectiveness of internal financial controls and risk management systems and the clarity and completeness of disclosures in the financial statements of the Charity and its subsidiaries. The committee meets three times a year and is chaired by an independent member.

Investment Committee

The Investment Committee, which meets at least twice a year, is primarily responsible for recommending to the trustees an overall investment strategy for the Charity, appointing and monitoring the performance of investment managers on their behalf and ensuring that the Charity complies with all statutory requirements in respect of investments. The committee is chaired by the Treasurer.

Pay and Review Committee

The Pay and Review Committee meets at least once a year, and conducts an annual review of the staff structure and salary and pension profiles to take into account such things as market forces, inflationary pressures and performance. The committee is chaired by an independent member.

Clinical Governance Committee

The Clinical Governance Committee is a framework through which the Charity is accountable for continually improving the quality of its services and safeguarding the high standards of care by creating an environment in which excellence will flourish. The committee meets four times a year and is chaired by an independent trustee.

Chancellor's Advisory Committee

There is also a Chancellor's Advisory Committee which is an adhoc committee which meets from time to time to discuss delegated matters from the Priory Chapter. The composition of the committee is made up of those Trustees and members of the Senior Management Team with the most appropriate experience and/ or expertise to examine and report on the matter referred to the Committee for examination.

RISK MANAGEMENT

The trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to mitigate those risks.

The Chief Executive is responsible for the operations of National Headquarters in accordance with Chapter's policies.

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A rigorous process of identifying risks and a continuous programme of activities to monitor and mitigate risks have been established, and are regularly reviewed by the senior management team of the Charity and considered annually by the Board.

OBJECTIVES AND ACTIVITIES

Objects and aims

In 2012 a new Statement of Strategic Intent was issued detailing the strategic direction for the charity for 2012 – 2017.

Vision

To have a first aider in every street in Wales

Mission

To expand its services for young people, be the leader in first aid training, provide an extensive range of patient transport services, offer community support and extended care at events.

Working with partners, St John Cymru-Wales will be committed to investing in building strong communities who play a key role in making Wales a healthier, safer and sustainable nation.

Be true to our motto "For the faith, in the service of humanity" and our international responsibilities to St John worldwide to improve the health and wellbeing of people in over 40 countries and in particular the Eye Hospital in Jerusalem.

Growing our Youth Engagement programme to become one of Wales' largest youth organisations

We will deliver a dynamic range of high quality programmes which are designed to inspire and provide a suite of health-related life skills and development opportunities.

By positively engaging in developing young people we will strive to:

- Create 'good citizens' to take their place in society.
- Increase our number of first aiders.
- Equip young people to face rising challenges.
- Ensure we are relevant to the emerging generation.
- Provide our young people with transferable skills that increase their employability.
- Expand our international development training programmes.

- Promote the physical, mental and social benefits that are derived from a healthy, active, outdoor lifestyle.
- Broaden the appeal, scope and diversity of St John Wales in volunteering in Wales.

Build on our position as Wales' leading first aid Charity

Establish St John Wales as the first choice for first aid throughout Wales

- Reduce avoidable deaths and provide timely and trained response to injuries.
- Up skill the population of Wales in the workplace, at home and at leisure.

Use St John Wales' considerable operational expertise and resident resource base to expand the range of care and medical support we provide for events across Wales including:

- Increasing our presence in communities throughout Wales.
- Extending the range and breadth of our expertise, resources and services.
- Strengthening our relationships with event organisers and partner organisations

Patient Transport and Community Support

Increase the range, accessibility and flexibility of our patient transport services and support in local communities by:

- Working in partnership with the Welsh Ambulance Service NHS Trust.
- Providing a range of transfer services for the Health Boards in Wales, including our 'Ward to Home' service.
- Work with Social Services Departments and Care Homes.
- Establishing partnerships within the care sector.
- Providing community support packages.
- Offering bespoke services for individuals, their families and friends.

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Engaging with local Communities

St John Wales will use its extensive experience, influence and reputation to work with the Welsh Government, Local Government, Health Boards, Voluntary Organisations and the private sector to improve the health and wellbeing of local communities by:

- Increasing membership and the provision of a diverse range of services at local level.
- Fostering and promoting a culture of mutual support and community spirit.
- Investing in existing and new buildings and offer spare capacity to kindred organisations.
- Work with other national or local organisations to maximise use of accommodation and properties.

ACHIEVEMENTS AND PERFORMANCE

As Wales's leading first aid charity we know that first aid saves lives, we know that what happens in the first few minutes of an emergency can be the difference between life and death and we know that having a trained first aider on the scene, with the right equipment, significantly increases your chance of survival.

In 2012 we dedicated ourselves to the vision of having a first aider on every street in Wales. We committed to training as many people as possible in first aid skills, through our volunteers, our workplace training and our communities and schools programme.

Our volunteers and staff made laudable advancement in our aim to take first aid to those who need it most; providing free first aid courses for young mums and dads in the south Wales valleys, campaigning for more farmers to be taught lifesaving techniques and engaging with the out of work offering them new skills and a chance to join our volunteering programme.

We made considerable progress in ensuring that St John Wales remains relevant to the emerging generations and the communities of Wales. It is now our duty to build on this progress and ensure that St John Wales plays a key role in making Wales a healthier, safer and sustainable nation.

Growing our Youth Engagement programme

St John Wales took significant steps to further its reach and appeal and improve engagement with existing and new volunteers. The wholesale revision

of our youth development initiatives has enabled us to focus on giving our young volunteers access to nationally accredited qualifications, enriching their voluntary experience and preparing them for future challenges.

These initiatives have ensured St John Wales will continue to be at the forefront of young people's development and our outputs firmly in line with the national standards for youth work in Wales.

The integration of accredited learning has allowed us to equip young people with the requisite skills, confidence and experience to tackle and overcome prevailing social and economic problems.

Diversification into new realms of youth work has been important this year as we aim to cement our relevance to young people - environmental and sustainability issues were addressed with a nationwide tree planting initiative, while adventurous outdoor activity was promoted with surfing and hiking weekends.

This exploration into new areas of youth work was complementary and not detrimental to our core activities and pre eminence in first aid training provision. We witnessed a record number of young people trained and a new complement of national titles were bestowed at the national first aid finals. Our first aid provision was promoted and exhibited around the world as youth led trips went to Hungary, India and Kenya.

The organisation acquired a Duke of Edinburgh Award operating licence with consideration given to the high regard the award is held in by employers. This was done in a bid to offer more opportunities for personal development and accomplishment to our 14-25 year old age category, and as a by product has allowed us to promote the physical, mental and social benefits that are derived from a healthy active lifestyle.

Build on our position as Wales' leading first aid Charity

St John Wales completely revamped its operational procedures to enhance the volunteer experience. The organisation launched an interactive, web based database which has simplified the joining procedure enabling online registration, greater automation and vastly reducing waiting times for potential new volunteers. The new database allows volunteers to access all the information they need at a touch of a button and enables St John Wales to record accurate data on volunteer training.

St John Wales was the chief Welsh contributor to the newly published European guidance on best practice

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in volunteering, which saw the launch of the Policy Agenda on Volunteering in Europe and will be instituted throughout the United Kingdom.

St John Wales assumed a prominent role in the Summer Olympics, providing first aid cover throughout the country for numerous events including Olympic torch relay and sporting events at the Millennium Stadium.

In 2012 we continued the process of consolidating Volunteer, Community and Commercial training under one directorate. The aim was to provide greater support to our first aid trainers by bringing greater cohesion to courses delivered across Wales. As a result, we have revised and amalgamated a wide range of courses, which were previously duplicating content, to provide a greater learning experience for the training recipients. This ensures that we can deliver the same high quality product regardless of geographical location. We have also introduced common booking and IT systems backed by a support team to make delivery of courses as simple as possible.

During the year we successfully completed our 12 community based, Gateway Projects. These were funded by the European Social Fund and administered through the Welsh Council for Voluntary Action. These important projects were aimed at engaging with economically inactive people enriching their skill level through first aid training, promoting awareness and access to volunteering and helping participants to progress into employment. We were able to engage with over 370 economically-inactive people across the projects.

Following the Löfsted Report and the subsequent decision to remove the Health and Safety Executive's role in First Aid Approval and Monitoring, we have been actively working with our colleagues in St John England and others to help shape the future of First Aid at Work.

Our collaborative efforts have served to emphasise the important role First Aid at Work has on communities and businesses as we have maintained our commitment to delivering a high standard of training. St John Wales has continued to play a crucial role as a trusted provider making sure the name St John Wales remains synonymous with first aid.

In order to maximise exposure of our products and training, we have attended various corporate events and national showcases such as The Social

Healthcare Expo, Welsh Business Show, Newport Business Show and The Royal Welsh Show This has yielded positive returns in promoting awareness, guideline compliance and importance of first aid to industry leaders and professionals.

We have also increased our capacity to deliver training in North Wales with the appointment of an additional full time trainer. Furthermore, through the utilisation of more training facilities across Wales we were able to deliver more scheduled courses allowing greater accessibility and convenience for businesses and individuals.

We witnessed a significant increase in the number of Patient Transport Attendant courses taking place which has consequently doubled the number of highly skilled, front-line volunteers crewing ambulances operating in Wales.

As a sum total of this activity we have achieved our goals in training over 16,000 people in life saving skills.

Patient Transport and Community Support

Our Patient Transport business has consolidated its position by securing a significant 3 year contract with Cardiff and Vale Health Board during the year and in early 2013 won the tender bid, subject to contract, to become the preferred provider for the Welsh Ambulance Service NHS Trust.

Forming part of our ambitious strategy to expand our operations beyond the Cardiff area, we succeeded in securing contracts with Cwm Taf Health Board and Hwyl Dda Health Board for the first time ever. We also played an instrumental role in supporting the Welsh Ambulance Service NHS Trust in times of need during inclement weather and peak demand.

Governance – Corporate Restructure

On 31 March 2013 a corporate restructure was completed, merging the activities of Patient Transport Services Ltd and St John Ambulance in Wales (Priory for Wales) Limited into the Priory. The aim of the restructure was to ensure that the charity had a legal structure that was fit for purpose, as well as providing improved administrative, accounting and tax efficiencies. All assets and liabilities were transferred at book value.

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PUBLIC BENEFIT

During 2008, as required by the Charities Act 2006, the Charity Commission for England and Wales issued its general guidance on the criteria it will use to determine whether or not a charity provides public benefit. It also issued supplementary sector-specific guidance to tailor the general guidance, for religious, educational, poverty-relieving and fee-charging charities.

The trustees have considered the relevant guidance and are satisfied that all the Charity's activities fall within its objects and that it does provide considerable benefit to the public, as demonstrated in this report. The trustees have regard to these requirements when reviewing the Charity's aims and objectives and when planning future activities as part of its annual process for revising and updating its strategy.

A particular area of focus during 2012 was the implementation of the new strategic plan with a greater focus on youth, community training and volunteering. In line with these changes new and more extensive key performance indicators were developed and these have improved the trustees' ability to match aims and achievements, and enhanced the Charity's ability to demonstrate the public benefits that it provides.

FINANCIAL REVIEW

Overall summary

The Charity's results for the year ended 31 December 2012 have improved despite the continued poor prevailing economic climate in Wales during 2012. The Charity reviewed its cost base and implemented a successful overhead reduction plan which will ensure that the organisation is structured more efficiently to meet the future demands and obligations of its members and the community that the Charity serves.

The Charity's incoming resources increased from £4,337,549 in 2011 to £4,714,780 in 2012, resulting in a net deficit of £389,045 in 2012 compared to £611,848 in 2011.

The trustees are pleased to report that the unaudited results for the quarter ended 31 March 2013 indicate that the Charity is trading in surplus before gains on investments at £71,014.

Investment Income

Investment income was comparable to that of 2011 at £86,941 (2011 - £86,062). However in 2011 we had a loss on investment assets of £109,988 but in 2012 we had a gain on investment assets of £158,790, consisting of £81,709 realised gains and £77,081 unrealised gains. The realised gains consist of the restructuring of our portfolio by our new Investment brokers Brewin Dolphin with the unrealised gains reflecting increased stock market values as at 31 December 2012.

Balance Sheet

The balance sheet remains strong with net assets totalling £9,125,555 (2011 - £9,466,000). Cash balances have decreased by £300,210 to £1,019,093.

In 2012 £418,219 was invested in fixed assets with £410,919 spent on new and replacement vehicles. A further £7,300 was spent on medical equipment and fixtures and fittings

Voluntary income

Voluntary income amounted to £940,977 and accounts for 20% of the Charity's total incoming resources (2011 - £885,172 - 20%). Grants received from various organisations across Wales amounted to £94,666 (2011 - £25,778). The remainder of the voluntary income is generated through donations, through fundraising by our volunteers at a local level throughout Wales, and through our dedicated fundraising department who secure income from trusts and foundations, legacies and other sources.

The cost of generating this income, described as 'costs of generating funds' was £658,081 (2011 - £617,957) and included the cost of the marketing and PR team which supports the wider needs of the organisation. The direct cost of generating funds, excluding support costs, was £533,461 (2011 - £496,745), an increase of 7%.

Provision of First Aid and youth development

The provision of First Aid duties across Wales, training of First Aid in the local communities and various revenue grants received, has produced an income for the year of £1,091,203 (2011 - £832,222). The increase in activity is down to large events such as the Olympic torch relay and Olympic football events at the Millennium Stadium. This area of activity also covers the Charity's extensive youth programme. Expenditure in this area for 2012 was £2,019,052 (2011 - £1,773,103).

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Ambulance and transport services

The performance in this area was comparable to 2011 with total income for 2012 at £1,199,806, (2011 –£1,183,531). The resultant net deficit for 2012 was £76,386 (2011 – net deficit £235,378).

First Aid training

One of the core activities of the Charity is the teaching of First Aid. This activity is carried out on a commercial and charitable basis. The figures under this category in the financial statements are from the commercial business and show a net surplus generated for the Charity of £240,123 (2011 - £255,480).

First Aid Products

The Supplies function in the Charity has two core objectives, firstly to provide First Aid products to our volunteers to enable them to carry out their duties, and secondly to sell First Aid products externally to generate surplus funds for charitable use. External sales decreased slightly in 2012 due to the focus on the restructuring of the department, at £176,761 (2011 - £211,255)

RESERVES POLICY

Reserves are required in order to ensure the long-term viability of the Charity. The policy is based upon recommendations made by Chapter and is in line with the Charity Commission recommendations.

A fixed asset property reserve reflects the funds already invested in property. The revaluation reserve reflects an increase in property values. The designated funds reflect the reserves committed by the trustees for specific projects, mainly for the replacement of the ambulance fleet.

The policy of the Order is to seek to maintain free reserves at a level which equates to at least six months of expenditure. Free reserves are calculated by deducting from total reserves restricted funds, designated funds and funds representing property fixed assets held for charity use. As at 31 December 2012, the Order had free reserves amounting to £2,605,041 (2011 - £2,737,502), representing six months of expenditure (2011 – seven months). The policy is reviewed every three years.

INVESTMENT POLICY

Money that is required at short notice is deposited with the Charities' Official Investment Fund and with the Charity's bankers.

The Charity has as its investment objective the maintenance and enhancement of the real value of its assets over the long term by investment in a portfolio consisting of fixed interest stocks and equities.

The trustees wish to seek income generation, whilst preserving the capital, with a medium level of risk as this strategy accords with the advice of the Investment Committee.

The Investment Committee set the strategic allocation of funds. From 1 January 2012 Brewin Dolphin Limited took over the management of our portfolio and during 2012 they restructured the portfolio. The performance of the investment manager is monitored quarterly against an agreed benchmark. The income return on investments for the year was £77,153 compared to a target of £75,000.

The asset mix benchmark is as follows

Benchmark	Asset type
20%	Government Securities Index
70%	FTSE 350 Index
10%	FTSE/S & P World Index (excluding UK)

Any move outside these tolerances would need to be referred to the Investment Committee.

TRUSTEES

Members of Chapter (the trustees) are representatives of the Charity and of the counties within Wales. They act as trustees of the Charity. The trustees undertake their duties in accordance with the rules established by the Charity Commission. The Chapter meets quarterly and is responsible for the strategic direction of the Order in Wales.

The Chapter consists of no fewer than ten trustees but, unless otherwise determined, shall not be subject to a maximum. The Chapter is chaired by the Prior who is appointed by the Grand Prior of the Order.

Principal Officers of the Priory are trustees. Up to ten members of the Priory Chapter nominated by the Priory Council are also appointed as trustees and up to three others can be appointed as trustees by the Prior. Each member is appointed for a period of

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three years. Their appointment is open to renewal for a second term of three years, but all trustees are expected to retire at the age of 75 years.

The Chapter completed a full review of its governance arrangements in 2012 and continually reviews the processes and procedures surrounding governance issues.

A new formal trustee induction procedure was introduced in 2012. A full induction handbook is provided to all new trustees in the Charity, this contains key information and documents regarding the role of the trustees in the Charity. In addition, each new trustee is invited to attend an induction day at the Charity's National Headquarters with the Chancellor and Chief Executive.

A qualifying third party Trustee indemnity insurance provision of £5m was in place in during the financial year and at the date of approval of the financial statements. The total cost of the indemnity was £2,065 (2011 - £2,065).

VOLUNTARY HELP AND GIFTS IN KIND

Chapter is very grateful to its volunteers, who carried out over 203,000 unpaid hours (2011 – 190,000) of duties at public functions, and who train our large youth organisation of Badgers and Cadets. If these hours had been paid at a rate of £6.19 per hour (2011 - £6.08 per hour) (the minimum wage for those over 22 years old) the cost to the community would have been almost £1.256m (2011 – £1.155m).

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are trustees of the Charity at the date when this report is approved:

- so far as each of the trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- each of the trustees has taken all the steps that he / she ought to have taken as a trustee to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 (1) to (4) of the Companies Act 2006.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to continue in office as the Charity's

auditors and their reappointment will be discussed at the forthcoming Annual General Meeting.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Priory for Wales of the Most Venerable Order of the Hospital of St John of Jerusalem for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees
and signed on behalf of the trustees

D C Jones - Prior
21 June 2013

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER OF THE HOSPITAL OF ST JOHN OF JERUSALEM

We have audited the financial statements of The Priory for Wales of The Most Venerable Order of the Hospital of St John of Jerusalem for the year ended 31 December 2012 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, as set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's report to identify material inconsistencies with the audited financial statements. If we become aware of any

apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2012, and of the group's incoming resources and application of resources, including its income and expenditure and group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kevin Williams (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
Cardiff
21 June 2013

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
OF THE HOSPITAL OF ST JOHN OF JERUSALEM**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
Year ended 31 December 2012**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2012 £	Total funds 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	3	690,224	250,753	940,977	885,172
Activities for generating funds	4	156,495	-	156,495	117,817
Investment income	5	86,941	-	86,941	86,062
Total incoming resources from generated funds		<u>933,660</u>	<u>250,753</u>	<u>1,184,413</u>	<u>1,089,051</u>
Incoming resources from charitable activities					
Provision of First Aid, transport and youth development		800,157	291,046	1,091,203	832,222
Ambulance and transport services		1,199,806	-	1,199,806	1,183,531
First Aid training		1,062,597	-	1,062,597	1,021,490
First Aid products		176,761	-	176,761	211,255
Total incoming resources from charitable activities	6	<u>3,239,321</u>	<u>291,046</u>	<u>3,530,367</u>	<u>3,248,498</u>
Total incoming resources		4,172,981	541,799	4,714,780	4,337,549
Less: Costs of generating funds					
Costs of generating funds		606,427	51,654	658,081	617,957
Net incoming resources available for charitable application		<u>3,566,554</u>	<u>490,145</u>	<u>4,056,699</u>	<u>3,719,592</u>
Resources expended on charitable activities					
Provision of First Aid, transport and youth development		1,439,949	579,103	2,019,052	1,773,103
Ambulance and transport services		1,276,192	-	1,276,192	1,418,909
First Aid training		822,474	-	822,474	766,010
First Aid products		259,336	-	259,336	309,213
Total charitable expenditure		<u>3,797,951</u>	<u>579,103</u>	<u>4,377,054</u>	<u>4,267,235</u>
Governance costs		68,690	-	68,690	64,205
Total resources expended	7	<u>4,473,068</u>	<u>630,757</u>	<u>5,103,825</u>	<u>4,949,397</u>
Net (deficit) for the year		(300,087)	(88,958)	(389,045)	(611,848)
Other recognised gains and losses					
Realised gain on investment assets		81,709	-	81,709	99
Loss on sale of properties		(35,190)	-	(35,190)	-
Unrealised gain / (loss) on investment assets		77,081	-	77,081	(110,087)
Unrealised loss on investment land		(75,000)	-	(75,000)	-
Net movement in funds		(251,487)	(88,958)	(340,445)	(721,836)
Reconciliation of funds					
Total funds brought forward		7,644,186	1,821,814	9,466,000	10,187,836
Total funds carried forward	23	<u>7,392,699</u>	<u>1,732,856</u>	<u>9,125,555</u>	<u>9,466,000</u>

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)**

Year ended 31 December 2012

All activities are continuing.

Other recognised gains and losses for the current and the prior financial year have been shown in the statement of financial activities and, accordingly, no separate statement of total recognised gains and losses is presented.

The surplus/deficit for the year for Companies Act purposes comprises the net deficit for the year of £389,045 (2011: net deficit of £611,848) and realised gains on investments of £81,709 (2011: £99), totalling a deficit of £307,336 (2011: net deficit of £611,749).

There is no material difference between the net (deficit) / income for the financial year stated above and the historical costs equivalent.

There are no movements in funds other than as stated above.

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
OF THE HOSPITAL OF ST JOHN OF JERUSALEM**

**CONSOLIDATED BALANCE SHEET
31 December 2012**

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets			
Freehold and leasehold properties	12a	4,784,290	5,007,768
Vehicles, equipment, computers and other	12b	1,186,770	1,187,903
		<u>5,971,060</u>	<u>6,195,671</u>
Investments			
Quoted investments	13	2,139,727	1,994,561
		<u>8,110,787</u>	<u>8,190,232</u>
CURRENT ASSETS			
Stock	14	6,070	72,653
Debtors	15	668,294	413,312
Investments	16	461,564	567,609
Cash at bank and in hand		1,019,093	1,319,303
		<u>2,155,021</u>	<u>2,372,877</u>
CURRENT LIABILITIES			
Creditors falling due within one year	17a	(721,460)	(623,937)
		<u>1,433,561</u>	<u>1,748,940</u>
NET CURRENT ASSETS			
		<u>9,544,348</u>	<u>9,939,172</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors falling due after more than one year	17b	(418,793)	(473,172)
		<u>9,125,555</u>	<u>9,466,000</u>
NET ASSETS			
FUNDS			
Unrestricted funds			
- Designated funds	21	1,104,342	1,047,160
- Fixed asset property reserve	23	2,808,735	2,877,923
- Revaluation reserve	23	874,581	981,601
- Other charitable funds	23	2,605,041	2,737,502
		<u>7,392,699</u>	<u>7,644,186</u>
Restricted funds	20	1,732,856	1,821,814
		<u>9,125,555</u>	<u>9,466,000</u>

The financial statements on pages 11 – 37 were approved by the Board of The Priory For Wales Of The Most Venerable Order Of The Hospital Of St John Of Jerusalem (No. 5071073) on 21 June 2013.

Signed on behalf of the board

D Clayton Jones – Prior

S J B Hughes – Treasurer

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
OF THE HOSPITAL OF ST JOHN OF JERUSALEM**

**CHARITY BALANCE SHEET
31 December 2012**

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets			
Freehold and leasehold properties	12a	4,584,290	4,732,768
Vehicles, equipment, computers and other	12b	1,180,840	1,171,660
		<u>5,765,130</u>	<u>5,904,428</u>
Investments			
Quoted investments	13	2,139,727	1,994,561
Other investments	13	100,060	100,060
		<u>2,239,787</u>	<u>2,094,621</u>
CURRENT ASSETS			
Debtors	15	1,521,082	1,472,430
Cash at bank and in hand		-	256,053
		<u>1,521,082</u>	<u>1,728,483</u>
CURRENT LIABILITIES			
Creditors falling due within one year	17a	(398,832)	(394,868)
Bank overdraft		(68,209)	-
		<u>1,054,041</u>	<u>1,333,615</u>
NET CURRENT ASSETS			
		<u>1,054,041</u>	<u>1,333,615</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		9,058,958	9,332,664
Creditors falling due after more than one year	17b	(418,793)	(473,172)
		<u>8,640,165</u>	<u>8,859,492</u>
NET ASSETS			
		<u>8,640,165</u>	<u>8,859,492</u>
FUNDS			
Unrestricted funds			
- Designated funds	21	1,104,342	1,047,160
- Fixed asset property reserve	23	2,801,235	2,869,793
- Revaluation reserve	23	682,081	714,101
- Other charitable funds	23	2,414,370	2,470,159
		<u>7,002,028</u>	<u>7,101,213</u>
Restricted funds	20	1,638,137	1,758,279
		<u>8,640,165</u>	<u>8,859,492</u>

The financial statements on pages 11 – 37 were approved by the Board of The Priory For Wales Of The Most Venerable Order Of The Hospital Of St John Of Jerusalem (No. 5071073) on 21 June 2013.

Signed on behalf of the board

D Clayton Jones – Prior

S J B Hughes – Treasurer

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
OF THE HOSPITAL OF ST JOHN OF JERUSALEM**

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2012

	Note	2012 £	2011 £
Net cash (outflow) / inflow from operating activities	25	<u>(1,354)</u>	<u>37,691</u>
Returns on investments and servicing of finance			
Investment income		86,941	86,062
Servicing of finance		<u>(32,868)</u>	<u>(15,092)</u>
		<u>52,719</u>	<u>70,970</u>
Capital expenditure and financial investment			
Purchase of investments		(1,431,806)	(222,555)
Proceeds from sale of investments		1,445,430	347,555
Purchase of tangible fixed assets		<u>(418,219)</u>	<u>(178,913)</u>
		<u>(404,595)</u>	<u>(53,913)</u>
Cash (outflow) / inflow (before management of liquid resources and financing)		(351,876)	54,748
Management of liquid resources			
Cash withdrawn from/(deposited in) short term investments		106,045	(31,980)
Financing			
Repayment of mortgages ending 2024		<u>(54,379)</u>	<u>(54,379)</u>
Decrease in cash in the year	26	<u><u>(300,210)</u></u>	<u><u>(31,611)</u></u>

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
OF THE HOSPITAL OF ST JOHN OF JERUSALEM**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

1. ACCOUNTING POLICIES a)

Accounting convention

These financial statements are prepared on a going concern basis, under the historic cost convention as modified for the revaluation of investment property and fixed asset investments and in accordance with the Companies Act 2006, Charities Act 2011 and applicable United Kingdom accounting standards. The principal accounting policies adopted, which have been applied consistently throughout the current and the prior financial year and across the group, are described below.

b) Accounting by charities

The Charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and has adapted the Companies Act formats to reflect the special nature of the Charity's activities.

c) Accounting treatment of subordinate organisations

The financial statements represent the consolidated financial position of the Order. This comprises St John Wales Training Company Limited, St John Ambulance in Wales (Priory for Wales), St John Wales Patient Transport Services and Maindy Estates Limited, all 100% subsidiaries of the Order.

The financial statements are consolidated on a line-by-line basis and cover the consolidated financial position and transactions of all companies controlled by the Priory. All intra group transactions are eliminated on consolidation.

d) Fund accounting

Unrestricted funds are those available for use at the discretion of the trustees in furtherance of the general objects of the Charity, which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

A fixed asset property reserve reflects the funds already invested in property.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and

use of each restricted fund is set out in note 20.

e) Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to working condition for its intended use.

The following rates are used for the depreciation of the asset over its useful life:

Freehold & investment properties	2%
Leasehold properties	over life of lease
Motor vehicles	14%
First Aid equipment	20%
Computers	25%
Other	20%

Freehold land is not depreciated

The Charity's capitalisation policy is that all single assets or group purchase of related assets costing £500 or more are capitalised except in the divisional books of the St John Ambulance in Wales (Priory for Wales) where the value is increased to £5,000.

The freehold and leasehold properties were professionally revalued in 1996. The Charity is taking advantage of the transitional rules under FRS 15 and these valuations will not be updated.

In accordance with SAAP 19 (revised), investment properties are those properties that are held either to earn rental income or for capital appreciation or both.

Investment properties are carried at their fair values based on market value determined by the trustees, based on advice given by Mr. David Davies (FRICS) a member of the order of The Priory for Wales of the Most Venerable Order of the Hospital of St John of Jerusalem at each reporting date.

Investment properties, which are freehold land, are not depreciated.

f) Grants

Grants for the purchase of equipment and towards the initial setting up of projects are credited in full to the various activities in furtherance of the Charity's objects in the year in which they are received. Grants that provide core funding, or are of a general nature provided by government and charitable

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

1. ACCOUNTING POLICIES (continued)

foundations, are recorded as voluntary income. Grants received specifically for goods and services to be provided as part of charitable activities are recorded against the activity to which they relate.

g) Stock

Stock is stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis.

h) Bequests

Bequests are credited to the income and expenditure account when received.

i) Investments

Investments are stated at mid market value in accordance with the SORP. Realised and unrealised gains and losses on disposal and revaluation of investments are taken to the statement of financial activities.

Other investments represent unlisted investments in subsidiary companies and are stated at cost less any provision for impairment.

j) Pension scheme

The pension schemes utilised by the Charity are The Pensions Trust and AEGON. These are defined contribution pension schemes providing pension arrangements solely for employees of organisations involved in social, educational, charitable, voluntary and other similar works. Pension costs charged to the statement of financial activities (SOFA) represent contributions payable by the Charity to the pension schemes during the year.

k) Income recognition

Course income is recognised at the time the course is run. Course income received in advance is treated as deferred income. Income from patient transport services and first aid cover is recognised when the service is provided. Supplies income is recognised when the goods are despatched. Fundraising and all other income is recognised in the statement of financial activities in the period in which it is received.

l) Irrecoverable VAT

Irrecoverable VAT incurred due to the use of the partial exemption method is allocated across all activities as a finance support cost with the exception of irrecoverable VAT on door-to-door fundraising costs, which are

directly allocated to the cost of generating funds.

m) Governance costs

Governance costs include audit fees and non-trading legal fees.

n) Cash and cash equivalents

Cash comprises cash in bank and in hand. Cash equivalents are short-term highly liquid investments with a maturity of less than 90 days that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

o) Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.

p) Deferred and Accrued income

Income received in advance is treated as deferred income. Income received in arrears is treated as accrued income.

r) Resources expended on charitable activities

Costs include all expenditure directly related to the objects of the Company and associated support costs.

s) Costs of generating funds

Costs include all expenditure directly related to fundraising and associated support costs.

2. TAXATION STATUS

The Company is limited by guarantee and is a registered charity. The Company, together with its charitable subsidiaries - St John Ambulance in Wales (Priory for Wales) and St John Wales Patient Transport Services - is subject to the taxation relief applicable to charities except for a small amount of non primary trading income. St John Wales Patient Transport Services paid a grant of £115,993 to the parent charity (2011 - £130,432).

The other two subsidiaries - St John Wales Training Company Limited and Maindy Estates Limited - are subject to tax. No current tax charge arose in the period as tax losses were incurred by Maindy Estates Limited and a tax debit of £441 has arisen on the results of St John Wales Training Company Limited (2011 - tax credit £830). A Gift Aid donation of £331,037 was paid by St John Wales Training Company Limited to the parent company (2011- £389,342).

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

3. VOLUNTARY INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Donations, legacies and similar incoming resources	690,224	141,166	831,390	844,553
Revenue grants	-	94,666	94,666	25,778
St John of Jerusalem Eye Hospital & overseas appeals	-	14,921	14,921	14,841
	<u>690,224</u>	<u>250,753</u>	<u>940,977</u>	<u>885,172</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Income from property	153,004	-	153,004	114,790
Sundry sales	3,491	-	3,491	3,027
	<u>156,495</u>	<u>-</u>	<u>156,495</u>	<u>117,817</u>

5. INVESTMENT INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Interest bearing deposits	23,488	-	23,488	35,228
Securities	63,453	-	63,453	50,834
	<u>86,941</u>	<u>-</u>	<u>86,941</u>	<u>86,062</u>

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Grants 2012 £	Other income 2012 £	Total funds 2012 £	Total funds 2011 £
Provision of First Aid, transport and youth development	1,002,863	88,340	1,091,203	832,222
Ambulance and transport services	1,199,806	-	1,199,806	1,183,531
First Aid training	1,062,597	-	1,062,597	1,021,490
First Aid products	176,761	-	176,761	211,255
	<u>3,442,027</u>	<u>88,340</u>	<u>3,530,367</u>	<u>3,248,498</u>

7. RESOURCES EXPENDED

	Staff £	Depreciation £	Direct £	Other £	Support costs £	Total 2012 £	Total 2011 £
Cost of generating funds	207,803	-	318,522	7,136	124,620	658,081	617,957
Governance costs	-	-	-	68,690	-	68,690	64,205
Charitable activities							
Provision of First Aid, transport and youth development	280,423	408,640	1,041,765	114,244	173,980	2,019,052	1,773,103
Ambulance and transport services	758,301	65,307	146,473	15,687	290,424	1,276,192	1,418,909
First Aid training	432,618	4,010	135,821	29,071	220,954	822,474	766,010
First Aid products	65,020	-	138,651	2,449	53,216	259,336	309,213
Total charitable activities	<u>1,536,362</u>	<u>477,957</u>	<u>1,462,710</u>	<u>161,451</u>	<u>738,574</u>	<u>4,377,054</u>	<u>4,267,235</u>
Total resources expended	<u>1,744,165</u>	<u>477,957</u>	<u>1,781,232</u>	<u>237,277</u>	<u>863,194</u>	<u>5,103,825</u>	<u>4,949,397</u>

A further £54,683 of depreciation for the Order is allocated to support costs, therefore total depreciation amounts to £532,640.

	2012 £	2011 £
The above costs include		
Fees payable for the audit	32,350	31,550
Fees payable to the auditors for other services – tax compliance	6,830	7,380
Operating lease rentals – vehicle	6,429	6,429
Operating lease rentals – property	31,200	31,200
Investment management fees	16,624	8,939

The audit fee for the company was £13,050 (2011 - £12,250).

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

8. ANALYSIS OF SUPPORT COSTS

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

	Manage- ment £	Finance £	Information technology £	Facilities £	Total 2012 £	Total 2011 £
Cost of generating funds	19,816	19,586	11,038	74,180	124,620	121,212
Provision of First Aid, transport and youth development	56,147	55,495	33,126	29,212	173,980	129,931
Ambulance and transport services	122,201	120,783	33,127	14,313	290,424	402,836
First Aid training	59,450	58,759	26,501	76,244	220,954	203,610
First Aid products	9,909	9,793	6,625	26,889	53,216	56,988
	<u>267,523</u>	<u>264,416</u>	<u>110,417</u>	<u>220,838</u>	<u>863,194</u>	<u>914,577</u>

Management and finance costs have been allocated based on full-time equivalent employees at National Headquarters.

Information technology costs have been split equally between the companies.

Facilities costs have been allocated based on floor space.

9. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	Group		Charity	
	2012 £	2011 £	2012 £	2011 £
Staff costs				
Wages and salaries	1,965,872	1,685,926	503,656	487,125
Social security costs	167,240	144,503	46,845	44,682
Other pension costs	67,403	64,826	36,433	43,424
Pension payments to ex-employees	11,889	12,365	11,889	12,365
	<u>2,212,397</u>	<u>1,907,620</u>	<u>598,823</u>	<u>587,596</u>

The trustees did not receive any emoluments in respect of their services to the company (2011: £nil). Expenses of £2,549 (2011 - £1,733) were paid to six trustees during the year (2011 - five trustees).

There is one employee earning over £60,000 per annum excluding pension contributions, and falling into the earnings band of £60,000 - £70,000. Pension contributions of £7,828 (2011 - £7,817) were paid in respect of this employee.

The organisation continues to make a voluntary payment in lieu of pensions to two ex-employees; the last agreement to make such payments was undertaken in 1986. The two pensioners are over 80 years of age.

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

9. INFORMATION REGARDING TRUSTEES AND EMPLOYEES (continued)

The average monthly number of employees by function, calculated on the basis of full-time equivalents, was:

	Group		Charity	
	2012	2011	2012	2011
	No.	No.	No.	No.
Fundraising (Cost of generating funds)	6	5	6	5
Provision of First Aid, transport and youth development	17	8	-	-
Ambulance and transport services	37	36	-	-
First Aid training	18	16	-	-
First Aid products	3	4	-	-
Administration and finance	13	14	13	14
	<u>94</u>	<u>83</u>	<u>19</u>	<u>19</u>

10. SUBSIDIARY UNDERTAKINGS

The Order owns 100% of the share capital of St John Wales Training Company Limited and Maindy Estates Limited. It directly controls St John Ambulance in Wales (Priory for Wales) and St John Wales Patient Transport Services, both of which are companies limited by guarantee and not having a share capital. These consolidated financial statements incorporate the financial statements of the Order and subsidiary undertakings.

All of the above named subsidiaries are incorporated in the United Kingdom. The activities of the subsidiaries are as follows:

St John Wales Training Company Limited: First Aid training and supply of First Aid and related equipment. St John Wales Training

Company Limited pays its profits to the parent company by Gift Aid.

Maindy Estates Limited: Property ownership and management.

St John Ambulance in Wales (Priory for Wales): Recruitment and training of members of the public in First Aid and care, provision of First Aiders at public events where requested, and training of young people from the age of five - teaching them First Aid, care and general citizenship skills (see note 29).

St John Wales Patient Transport Services: The relief of sickness and the protection and preservation of public health, through the provision to health authorities, hospitals and others, of services including the carriage of patients and other transport requirements (see note 29)

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

10. SUBSIDIARY UNDERTAKINGS (continued)

A summary of the trading results for the years ended 31 December 2012 and 31 December 2011 of the limited companies, St John Wales Training Company Limited and Maindy Estates Limited, is shown below.

Summary profit and loss account	St John Wales Training Company Limited		Maindy Estates Limited	
	2012	2011	2012	2011
	£	£	£	£
Turnover	1,369,048	1,422,095	2,296	2,114
Costs of sales and administrative expenses	(1,035,803)	(1,037,325)	(3,053)	(5,261)
Operating profit/(loss)	333,245	384,770	(757)	(3,147)
Interest receivable and similar income	-	-	3	6
Gift Aid payable to the ultimate parent undertaking	(331,037)	(389,342)	-	-
Profit / (loss) on ordinary activities before tax	2,208	(4,572)	(754)	(3,141)
Tax on profit / (loss) on ordinary activities	(441)	830	-	-
Profit / (loss) for the financial year	<u>1,767</u>	<u>(3,742)</u>	<u>(754)</u>	<u>(3,141)</u>

Summary balance sheet	St John Wales Training Company Limited		Maindy Estates Limited	
	2012	2011	2012	2011
	£	£	£	£
Fixed assets	2,659	6,669	200,000	275,000
Current assets	213,438	259,707	1,469	1,534
Creditors: amounts falling due within one year	(169,437)	(221,483)	(24,230)	(23,541)
Net assets	<u>46,660</u>	<u>44,893</u>	<u>177,239</u>	<u>252,993</u>
Aggregate share capital and reserves	<u>46,660</u>	<u>44,893</u>	<u>177,239</u>	<u>252,993</u>

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

10. SUBSIDIARY UNDERTAKINGS (continued)

A summary of the trading results for the year ended 31 December 2012 and the year ended 31 December 2011 of the companies limited by guarantee and not having a share capital, St John Ambulance in Wales (Priory for Wales) and St John Patient Transport Services, is shown below.

Summary statement of financial activities	St John Ambulance in Wales (Priory for Wales)		St John Patient Transport Services	
	2012	2011	2012	2011
	£	£	£	£
Total incoming resources	2,013,198	1,810,738	1,199,806	1,183,531
Costs of generating funds and Governance	(19,798)	(28,598)	(5,250)	(5,250)
Net incoming resources	1,993,400	1,782,140	1,194,556	1,178,281
Other resources expended	(2,040,529)	(1,743,621)	(1,077,318)	(1,045,841)
Grant payable to ultimate parent Charity	-	-	(115,993)	(130,432)
Tax on profit on ordinary activities	-	-	(1,245)	(2,008)
Net movement in funds	(47,129)	38,519	-	-

Summary balance sheet	St John Ambulance in Wales (Priory for Wales)		St John Patient Transport Services	
	2012	2011	2012	2011
	£	£	£	£
Fixed assets	974	3,931	2,296	5,642
Current assets	1,664,976	1,629,416	254,089	190,825
Creditors: amounts falling due within one year	(1,354,401)	(1,274,669)	(206,385)	(146,467)
Net assets	311,549	358,678	50,000	50,000
Total funds	311,549	358,678	50,000	50,000

11. HERITAGE ASSETS

The Charity has a number of Heritage assets, which include a collection of works of art and objects of historical interest relating to the Order. The collection includes artefacts from the Order dating back to the eleventh century and forms a unique record of the history of the Order and St John Ambulance. At this date it has not been possible to value these assets.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

12. TANGIBLE FIXED ASSETS

All tangible fixed assets (Group and Charity) are held for charitable use.

a) Properties

	Freehold properties £	Investment properties £	Leasehold properties £	Total £
Group				
Cost or valuation				
At 1 January 2012	4,196,365	275,000	1,260,469	5,731,834
Revaluation	-	(75,000)	-	(75,000)
Disposals	-	-	(58,005)	(58,005)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	4,196,365	200,000	1,202,464	5,598,829
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
At 1 January 2012	569,277	-	154,789	724,066
Charge for the year	84,184	-	29,104	113,288
Release on disposal	-	-	(22,815)	(22,815)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	653,461	-	161,078	814,539
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2012	3,542,904	200,000	1,041,386	4,784,290
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2011	3,627,088	275,000	1,105,680	5,007,768
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Comparable amounts determined according to the historical cost convention

	Freehold properties £	Investment properties £	Leasehold properties £	Total £
Cost	3,093,162	7,500	1,492,246	4,592,908
Accumulated depreciation	(376,170)	-	(250,197)	(626,367)
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2012	2,716,992	7,500	1,242,049	3,966,541
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2011	2,766,483	7,500	1,193,006	3,966,989
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Analysis of land and buildings at cost or valuation as at 31 December 2012

	Freehold properties £	Investment properties £	Leasehold properties £	Total £
At Cost	3,093,162	-	1,015,974	4,109,136
At Valuation	1,103,203	200,000	186,490	1,489,693
	<hr/>	<hr/>	<hr/>	<hr/>
	4,196,365	200,000	1,202,464	5,598,829
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

12. TANGIBLE FIXED ASSETS (continued)

a) Properties (continued)

Charity	Freehold properties £	Leasehold properties £	Total £
Cost or valuation			
At 1 January 2012	4,196,365	1,260,469	5,456,834
Disposals	-	(58,005)	(58,005)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	4,196,365	1,202,464	5,398,829
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 January 2012	569,277	154,789	724,066
Charge for the year	84,184	29,104	113,288
Release on disposal	-	(22,815)	(22,815)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	653,461	161,078	814,539
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2012	3,542,904	1,041,386	4,584,290
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2011	3,627,088	1,105,680	4,732,768
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Comparable amounts determined according to the historical cost convention

	Freehold properties £	Leasehold properties £	Total £
Cost	3,093,162	1,492,246	4,585,408
Accumulated depreciation	(376,170)	(250,197)	(626,367)
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2012	2,716,992	1,242,049	3,959,041
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2011	2,766,483	1,193,006	3,959,489
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Analysis of land and buildings at cost or valuation as at 31 December 2012

	Freehold properties £	Leasehold properties £	Total £
At cost	3,093,162	1,015,974	4,109,136
At valuation	1,103,203	186,490	1,289,693
	<hr/>	<hr/>	<hr/>
	4,196,365	1,202,464	5,398,829
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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12. TANGIBLE FIXED ASSETS (continued)

a) Freehold and leasehold properties (continued)

The freehold and leasehold properties were revalued by DTZ Debenham Thorpe, Chartered Surveyors, at an open market value basis at December 1996. All valuations have been made in accordance with the RICS appraisal and valuation manual. The Charity is taking advantage of the transitional rules under FRS 15 and this valuation will not be updated.

Investment properties were valued as at 31 December 2011 by Mr. D Davies FRICS on the basis of the market value for grazing land, except certain small plots which have building potential - these have been valued at current market value. Mr. Davies is a member of the Order.

b) Vehicles, equipment, computers and other

Group	Motor vehicles £	First Aid equipment £	Computers £	Other £	Total £
Cost					
At 1 January 2012	3,925,340	398,938	174,466	267,383	4,766,127
Additions	410,929	-	2,090	5,200	418,219
Disposals	(37,500)	-	-	-	(37,500)
At 31 December 2012	<u>4,298,769</u>	<u>398,938</u>	<u>176,556</u>	<u>272,583</u>	<u>5,146,846</u>
Depreciation					
At 1 January 2012	2,803,921	398,128	156,737	219,438	3,578,224
Charge for the year	388,783	810	9,084	20,675	419,352
Release on disposal	(37,500)	-	-	-	(37,500)
At 31 December 2012	<u>3,155,204</u>	<u>398,938</u>	<u>165,821</u>	<u>240,113</u>	<u>3,960,076</u>
Net book value					
At 31 December 2012	<u>1,143,565</u>	<u>-</u>	<u>10,735</u>	<u>32,470</u>	<u>1,186,770</u>
At 31 December 2011	<u>1,121,419</u>	<u>810</u>	<u>17,729</u>	<u>47,945</u>	<u>1,187,903</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

12. TANGIBLE FIXED ASSETS (continued)

b) Vehicles, equipment, computers and other (continued)

Charity	Motor vehicles £	Computers £	Other £	Total £
Cost				
At 1 January 2012	2,788,756	110,816	94,122	2,993,694
Additions	410,929	1,390	5,200	417,519
Disposals	(37,500)	-	-	(37,500)
	<u>3,162,185</u>	<u>112,206</u>	<u>99,322</u>	<u>3,373,713</u>
Depreciation				
At 1 January 2012	1,667,337	97,522	57,175	1,822,034
Charge for the year	388,783	7,190	12,366	408,339
Release on disposal	(37,500)	-	-	(37,500)
	<u>2,018,620</u>	<u>104,712</u>	<u>69,541</u>	<u>2,192,873</u>
Net book value				
At 31 December 2012	<u>1,143,565</u>	<u>7,494</u>	<u>29,781</u>	<u>1,180,840</u>
At 31 December 2011	<u>1,121,419</u>	<u>13,294</u>	<u>36,947</u>	<u>1,171,660</u>

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Year ended 31 December 2012

13. INVESTMENTS

	Group		Charity	
	2012 £	2011 £	2012 £	2011 £
Quoted investments				
Market value at 1 January	1,994,561	2,229,549	1,994,561	2,229,549
Additions	1,444,526	222,555	1,444,526	222,555
Disposals	(1,458,150)	(347,555)	(1,458,150)	(347,555)
Realised gain on investment assets	81,709	99	81,709	99
Unrealised gain/(loss) on investment assets	77,081	(110,087)	77,081	(110,087)
	<u>2,139,727</u>	<u>1,994,561</u>	<u>2,139,727</u>	<u>1,994,561</u>
Market value at 31 December	<u>2,139,727</u>	<u>1,994,561</u>	<u>2,139,727</u>	<u>1,994,561</u>
Historic cost at 31 December	<u>1,958,460</u>	<u>2,096,866</u>	<u>1,958,460</u>	<u>2,096,866</u>
Other investments				
At cost and net book value	<u>-</u>	<u>-</u>	<u>100,060</u>	<u>100,060</u>

Other investments consist solely of shares held in subsidiary companies.

The trustees believe that the carrying value of the investments is supported by their underlying net assets.

Investment at market value comprised:

Group and Charity

	Pooled Investment Vehicles 2012 £	Direct Investment 2012 £	Total 2012 £	Total 2011 £
	Fixed interest			
United Kingdom	213,615	193,076	406,691	559,237
Equities				
United Kingdom	98,120	823,520	921,640	871,030
Europe	134,036	-	134,036	55,915
Global	463,694	124,261	587,955	282,060
Venture Capital Trust				
Europe	15,294	-	15,294	32,774
Hedge Funds				
	-	-	-	34,807
Commodities				
	-	-	-	39,020
Property				
United Kingdom	42,755	-	42,755	72,386
Europe	-	-	-	19,073
Cash and deposits				
United Kingdom	-	31,356	31,356	28,259
	<u>967,514</u>	<u>1,172,213</u>	<u>2,139,727</u>	<u>1,994,561</u>
Market value at 31 December	<u>967,514</u>	<u>1,172,213</u>	<u>2,139,727</u>	<u>1,994,561</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

14. STOCK

	2012	2011
	£	£
Group		
Training equipment and aids	6,070	72,653

15. DEBTORS

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	456,189	379,043	6,924	10,432
Amounts owed by group undertakings	-	-	1,421,325	1,437,088
Prepayments and accrued income	212,105	34,269	92,833	24,910
	<u>668,294</u>	<u>413,312</u>	<u>1,521,082</u>	<u>1,472,430</u>

16. CURRENT ASSET INVESTMENTS

The investments comprise of funds deposited with Charities Official Investment Fund (COIF). The funds are held by the divisions of St John Ambulance in Wales (Priory for Wales), through which the Charity operates in Wales, and are not realisable without the agreement of the Charity's trustees.

17a. CREDITORS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Mortgages and Loans (Note18)	54,379	54,379	54,379	54,379
Trade creditors	177,654	84,919	51,519	9,736
Other creditors	64,832	65,748	64,832	65,748
Taxes and social security	115,817	109,969	114,572	107,961
Accruals	242,826	164,999	113,530	72,199
Deferred income	65,952	143,923	-	84,845
	<u>721,460</u>	<u>623,937</u>	<u>398,832</u>	<u>394,868</u>

Deferred income comprises £65,952 of invoices raised in 2012 for 2013 course fees.

17b. CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Mortgages (Note 18)	418,793	473,172	418,793	473,172

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

18. LOANS AND OTHER BORROWINGS

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Mortgages	473,172	527,551	473,172	527,551
Maturity of Financial Liabilities				
In one year or less, or on demand	54,379	54,379	54,379	54,379
In more than one year, but not more than two years	54,379	54,379	54,379	54,379
In more than two years, but not more than five years	163,137	163,137	163,137	163,137
In more than five years	201,277	255,656	201,277	255,656

The above figures comprise two mortgages with original principal sums of £450,000 and £180,000. Both mortgages are secured on properties, are payable in monthly instalments, and carry fixed interest rates of 2.25% and 3.25% above base respectively.

19. FINANCIAL AND CAPITAL COMMITMENTS

a) Financial commitments

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

	Motor vehicles	
	2012	2011
	£	£
Leases which expire in:		
Less than one year	6,429	-
One to two years	-	6,429
	<u>6,429</u>	<u>6,429</u>
	<u><u>6,429</u></u>	<u><u>6,429</u></u>
	Property	
	2012	2011
	£	£
Leases which expire in:		
Less than one year	31,200	-
One to two years	-	31,200
	<u>31,200</u>	<u>31,200</u>
	<u><u>31,200</u></u>	<u><u>31,200</u></u>

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20. RESTRICTED FUNDS

Group	Movement in resources:			Balance 31 December 2012 £
	Balance 1 January 2012 £	Incoming £	Outgoing £	
	Building purchases and maintenance	1,157,119	-	
Medical vehicle purchases and maintenance	555,615	88,000	159,802	483,813
Community care	49,097	20,000	14,281	54,816
Local and sundry funds	11,966	102,166	40,157	73,975
Volunteer development and welfare	41,510	294,772	331,316	4,966
Training funds	-	6,067	-	6,067
Medical equipment purchases	1,000	15,873	16,873	-
Overseas projects	5,507	14,921	20,428	-
	<u>1,821,814</u>	<u>541,799</u>	<u>630,757</u>	<u>1,732,856</u>

Charity	Movement in resources:			Balance 31 December 2012 £
	Balance 1 January 2012 £	Incoming £	Outgoing £	
	Building purchases and maintenance	1,157,119	-	
Medical vehicle purchases and maintenance	555,615	88,000	159,802	483,813
Community care	39,038	-	-	39,038
Local and sundry funds	-	7,500	7,500	-
Volunteer development and welfare	-	23,726	23,726	-
Training funds	-	6,067	-	6,067
Medical equipment purchases	1,000	15,873	16,873	-
Overseas projects	5,507	14,921	20,428	-
	<u>1,758,279</u>	<u>156,087</u>	<u>276,229</u>	<u>1,638,137</u>

These funds represent:

- Building purchases and maintenance – funds specifically raised for capital purchases of buildings used in furtherance of St John’s charitable objectives, and towards the maintenance of existing buildings.
- Medical vehicle purchases and maintenance – funds raised for purchase of ambulances and other transport vehicles, and for the maintenance of existing vehicles.
- Community care – donations given for specific community care projects, such as Baby Safe courses for young mothers, and Caring Connections, which is an intergenerational digital inclusion project communicating the work of St John to the elderly in nursing homes throughout Wales.
- Local and sundry funds - funds administered by local units for meeting the costs of specific activities.
- Volunteer development and welfare – comprises funds for youth and adult volunteer activities.
- Training funds – funds to support and develop training programmes and activities.
- Medical equipment purchase – funds to purchase medical equipment to support the first aid work of our volunteers .
- Overseas projects – funds to support the St John Eye Hospital in Jerusalem.

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Year ended 31 December 2012

21. DESIGNATED FUNDS

The income funds of the Charity include the following designated funds which have been set aside from unrestricted funds by the trustees for specific purposes:

Group and Charity	Balance 1 January 2012 £	New designations £	Utilised/ released £	Balance 31 December 2012 £
Property fund	701,671	8,921	100,339	610,253
Training equipment	11,559	36,642	2,356	45,845
Ambulances and other equipment	333,930	250,259	135,945	448,244
	<u>1,047,160</u>	<u>295,822</u>	<u>238,640</u>	<u>1,104,342</u>

Property fund: This fund is for property improvements.

Training equipment: This fund is for the purchase of First Aid training and related equipment.

Ambulances and equipment: This fund is for the purchase of new ambulances and other such equipment.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Other charitable funds £	Designated funds £	Fixed asset property reserve £	Revaluation reserve £	Restricted funds £	Total funds £
Group						
Tangible fixed assets	745,508	-	2,808,735	874,581	1,542,236	5,971,060
Investment assets	2,139,727	-	-	-	-	2,139,727
Current assets	860,059	1,104,342	-	-	190,620	2,155,021
Current liabilities	(721,460)	-	-	-	-	(721,460)
Long term liabilities	(418,793)	-	-	-	-	(418,793)
At 31 December 2012	<u>2,605,041</u>	<u>1,104,342</u>	<u>2,808,735</u>	<u>874,581</u>	<u>1,732,856</u>	<u>9,125,555</u>
Charity						
Tangible fixed assets	739,578	-	2,801,235	682,081	1,542,236	5,765,130
Investment assets	2,239,787	-	-	-	-	2,239,787
Current assets	320,839	1,104,342	-	-	95,901	1,521,082
Current liabilities	(467,041)	-	-	-	-	(467,041)
Long term liabilities	(418,793)	-	-	-	-	(418,793)
At 31 December 2012	<u>2,414,370</u>	<u>1,104,342</u>	<u>2,801,235</u>	<u>682,081</u>	<u>1,638,137</u>	<u>8,640,165</u>

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23. TOTAL FUNDS

	Other charitable funds £	Designated funds £	Fixed asset property reserve £	Revaluation reserve £	Restricted funds £	Total funds £
Group						
At 1 January 2012	2,737,502	1,047,160	2,877,923	981,601	1,821,814	9,466,000
Net movement in funds	(132,461)	57,182	(69,188)	(107,020)	(88,958)	(340,445)
At 31 December 2012	<u>2,605,041</u>	<u>1,104,342</u>	<u>2,808,735</u>	<u>874,581</u>	<u>1,732,856</u>	<u>9,125,555</u>
	Other charitable funds £	Designated funds £	Fixed asset property reserve £	Revaluation reserve £	Restricted funds £	Total funds £
Charity						
Balance at 1 January 2012	2,470,159	1,047,160	2,869,793	714,101	1,758,279	8,859,492
Net movement in funds	(55,789)	57,182	(68,558)	(32,020)	(120,142)	(219,327)
Balance at 31 December 2012	<u>2,414,370</u>	<u>1,104,342</u>	<u>2,801,235</u>	<u>682,081</u>	<u>1,638,137</u>	<u>8,640,165</u>

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NOTES TO THE FINANCIAL STATEMENTS

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24. PENSION OBLIGATIONS

The Charity participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the state scheme. The Plan is a multi-employer pension plan.

Contributions paid into the 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 Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses / investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three 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 rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay

part of such contributions and may provide that the employer shall pay the whole of them.

The Charity paid contributions at the rate of 6% during the accounting period. Members paid contributions between 5% and 10 % during the accounting period.

As at the balance sheet date there were six active members of the Plan employed by the Charity. The Charity has closed the Plan to new entrants

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The plan is a multi employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plans total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% per annum
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active / deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Retail prices index	2.9
Consumer price index	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary 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

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

24. PENSION OBLIGATIONS (Continued)

return will be lower than that assumed over the next ten years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

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 and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer

ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis, i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets, there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amounts of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

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 2011. As of this date, the estimated employer debt for the Charity was £218,518.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

25. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group	
	2012	2011
	£	£
Net outgoing resources	(389,045)	(611,848)
Investment income	(86,941)	(86,062)
Servicing of finance	32,868	15,092
	<hr/>	<hr/>
Operating deficit	(443,118)	(682,818)
Depreciation	532,640	538,306
Decrease in stocks	66,583	9,082
(Increase)/decrease in debtors	(254,982)	15,137
Increase in creditors	97,523	157,984
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(1,354)	37,691
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26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Group	
	2012	2011
	£	£
Decrease in cash during the year	(300,210)	(31,611)
Cash flow from finance	54,379	54,379
Cash flow from current asset investments	(106,045)	31,980
	<hr/>	<hr/>
Change in net debt and movement in net funds	(351,876)	54,748
Net funds at 1 January	1,359,361	1,304,613
	<hr/>	<hr/>
Net funds at 31 December	1,007,485	1,359,361
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27. ANALYSIS OF NET FUNDS

	1 January	Cash	31 December
	2012	Flows	2012
	£		£
Group			
Cash at bank and in hand	1,319,303	(300,210)	1,019,093
Current asset investments	567,609	(106,045)	461,564
Mortgages falling due within one year	(54,379)	-	(54,379)
Mortgages falling due after more than one year	(473,172)	54,379	(418,793)
	<hr/>	<hr/>	<hr/>
	1,359,361	(351,876)	1,007,485
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**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

28. RELATED PARTY TRANSACTIONS

Due to the nature of the Order's operations and its trustee membership being drawn from a broad cross-section of the business community, it is inevitable that transactions will take place with organisations in which a trustee of the Order may have an interest. For the year ended 31 December 2012 a total of £4,291 (2011: £8,939) was paid to Barclays Wealth Plc for whom one of the trustees, Mr. Duncan Cantlay, is a director.

29. POST BALANCE SHEET EVENT

On 31 March 2013 the activities and assets and liabilities of St John Ambulance in Wales (Priory for Wales) and St John Wales Patient Transport Limited were transferred to the Company. The assets and liabilities were transferred at book value.

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
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PRIORY OFFICERS, MANAGEMENT AND STANDING COMMITTEES

TRUSTEES/DIRECTORS (Chapter)

Mr D Clayton Jones, Prior
The Lord Aberdare, Bailiff of St Davids
Mr D W Jenkins, Vice Chancellor
Mr S J B Hughes, Treasurer
Mrs G Rees, Hospitaller
Mr R Croydon, Seneschal
Mr A Hayward, Almoner
Sir Paul Williams, Registrar
Dr R B K Broughton, Lead Trustee for Training
Mr D A Cantlay, Lead Trustee for Youth
Maj P Baker, Lead Trustee for Operations
Mr L Petterson, Lead Trustee for St John Councils
His Hon H M Daniel, Commander of Ysbyty Ifan
Mr R Noble, Independent Trustee
Mrs R M Kennedy, Independent Trustee, (resigned 5
February 2013)
Mr K M Dunn, Chief Executive (non-voting)

COMPANY SECRETARY

Mr D J Talbot

SUB PRELATES

The Rt. Rev. J.D.E. Davies, Bishop of Swansea and
Brecon

The Rev. G Abraham-Williams, The Free Church
Moderator

The Most Rev. Dr. B C. Morgan, Archbishop of
Wales

ADDITIONAL OFFICERS OF THE PRIORY

Mr G M Philipps, Commander of Slebech
Mr A J Woodliffe, Archivist/Librarian
Maj J H Poyner, Director of Ceremonies
Mrs H Lewis, Assistant Archivist

EXECUTIVES

Mr K M Dunn, Chief Executive
Mr D J Talbot, Director of Finance
Ms S Cass, Director of Fundraising/Marketing
Mr J Phillips, Director of Training
Mr J Shaughnessy, Director of Operations
Mr D Thomas, Director of Youth
Mr P Thomas, Director of HR

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PRIORY OFFICERS, MANAGEMENT AND PRINCIPAL COMMITTEES

AUDIT AND RISK COMMITTEE

Chair – Mr R Thomas (resigned 29 May 2013)
Chair- Sir Paul Williams (appointed 29 May 2013)
Mr S J B Hughes
Mr D W Jenkins
Mr K M Dunn (ex officio)
Mr D J Talbot (ex officio)

**ECCLESIASTICAL
COMMITTEE**

Chair – The Rt Rev J D E Davies
The Rev G Abraham-Williams
Dr R B K Broughton
Mr D A Cantlay
Rev Canon D Griffiths
Rev T Hewitt
Canon G Holcombe
Rev G Howells
The Very Rev G Hughes
Rev K Kimber
Rev D Kitto
Maj Gen Rev R M Llewellyn
Rev R O’Shea
Rev P Richards
Rev P Scott
Rev Canon W Watkins
The Ven R J Williams
The Rt Rev Dr D Yeoman
Mr K M Dunn (ex officio)

EYE HOSPITAL COMMITTEE

Chair – Miss G Rees
Mrs L Beck
Dr R B K Broughton
The Hon H A Bruce
Mrs S Burke
Mrs H Cook
His Hon H M Daniel
Mrs I David
Mrs D Davies
Mr M Davies
Mr M Flanagan
Mrs B Jones
Mrs R Lewis
Mrs J Lisboa
Mrs M K Owen
Lady Pill
Mrs M Thomas
Mr R Thompson
Mr G Williams
Mr K M Dunn (ex officio)

**HEALTHCARE GOVERNANCE
COMMITTEE**

Chair - Dr R B K Broughton (from 5 February 2013)
Mr D A Cantlay
Mr L Petterson
Mr Duncan Cantlay

Mr Damian Thomas
Maj. P Baker
Mr James Shaughnessy
Dr R Broughton
Mr Jon Phillips
Mr Paul Thomas
Dr R Salmon
Mr M Hill
Mr D Talbot
Prof D Mead
Mr K M Dunn (ex officio)

**HONOURS AND AWARDS
COMMITTEE**

Chair – Mr D Clayton Jones, Prior
Dr R B K Broughton
Mr D A Cantlay
Mr D W Jenkins
Mr D M Jones
Mr D B Lewis
The Lord Aberdare
Mr R Noble
Brig W E Strong
Sir P Williams
Mr K M Dunn (ex officio)

**INVESTMENT
COMMITTEE**

Chair – Mr S J B Hughes
D W Jenkins
Mr D M Jones
Mr H G Lewis
Mr K M Dunn (ex officio)
Mr D J Talbot (ex officio)

INDEPENDENT PAY REVIEW PANEL

Chair – Mr D Morgan
Ms S Lloyd-Jones
Mr J McLean
Mr P Thomas (ex officio)

**THE PRIORY FOR WALES OF THE MOST VENERABLE ORDER
OF THE HOSPITAL OF ST JOHN OF JERUSALEM**

PRINCIPAL PLACES OF BUSINESS AND ADVISERS

**THE PRIORY FOR WALES OF THE MOST
VENERABLE ORDER OF THE HOSPITAL OF
ST JOHN OF JERUSALEM**

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INVESTMENT MANAGERS

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2nd Floor
5 Callaghan Square
Cardiff
CF10 5BT

SOLICITORS

Morgan Cole LLP
Bradley Court
11 Park Place
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CF10 3DR

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW