

England & Wales Charity number: 1042391
Scottish Charity number: SC043612

COMMUNITY SECURITY TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

LUBBOCK FINE
Chartered Accountants
Paternoster House
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London EC4M 8AB

COMMUNITY SECURITY TRUST

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COMMUNITY SECURITY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2018

Principal office	Shield House Harmony Way London NW4 2BZ
England & Wales charity number	1042391
Scottish charity number	SC043612
Independent auditors	Lubbock Fine Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
Bankers	Royal Bank of Scotland 62-63 Threadneedle Street London EC2R 8LA
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE

COMMUNITY SECURITY TRUST

TRUSTEE'S REPORT

YEAR ENDED 31 MARCH 2018

The Trustee presents its annual report together with the audited financial statements of Community Security Trust (referred to in this report as "the Charity" or "CST") for the period of 1 April 2017 to 31 March 2018.

Previous annual reports had run according to the calendar year, ending 31 December. Due to a change in the year end to 31 March, the last annual report covered a 15-month period. Future reports will cover CST's financial year, ending 31 March.

CST is a registered charity in England and Wales, charity number 1042391, and in Scotland, charity number SC043612.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the trust deed, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

1. REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown on page 1 of the financial statements.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustee is a Corporate Trustee. Dispensation has been granted by the Charity Commission from disclosing the name of the Corporate Trustee and its directors within these accounts.

The Charity was established by a charitable trust deed on 21 November 1994 as amended by deeds of variation on 12 November 1996, 31 December 2002, 16 March 2012 and 12 March 2018.

2.1. Trustee Recruitment and Appointment

The power to appoint directors rests with the current Trustee. The Trustee's directors may appoint new directors at their regular board meetings. The directors regularly review areas in which more guidance and support is needed. Appointments are made in order to continue enhancing the activities and effectiveness of CST by supplementing the skill sets of existing directors through new appointments.

2.2. Induction and Training

In line with the Charity Commission's recommended best practice, the Charity will continue to update its induction procedure for future appointments. Prospective new directors will be invited to detailed briefings and meetings with the chair of the board of directors, the Chief Executive Officer (CEO), and key staff to further their understanding of the history, aims and operations of CST. New directors will receive an induction pack including three years of accounts, details of the organisation, a copy of the governing trust deeds, Trustee board and sub-committee minutes, and a copy of the Charity Commission's *Guidance on being a Trustee*, and *Public Benefit: Running a Charity*. Upon appointment, new directors will sign a model trustee declaration statement committing them to give their time and expertise. New directors may then be appointed to a subcommittee(s) which assists in the governance of various aspects of CST's work.

Existing directors are encouraged by the CEO to attend trustee training events.

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2.3. Board Sub-Committees

To support the board with its responsibilities, six sub-committees have been set up under specific terms of reference. Under these terms of reference the board has delegated certain authorities to these committees, and these allow the sub-committees to provide advice, guidance and expertise in their relevant areas of responsibility. The membership of each sub-committee is drawn from the board and a pool of lay leaders. The sub-committees are: Finance & Audit, Fundraising, Operations & Risk, Investment, Remuneration & Nomination and Public Affairs.

3. PUBLIC BENEFIT

The Trustee confirms that it has complied with its duty under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 to have due regard to the English Charity Commission's general guidance on public benefit.

4. KEY STAFF

The Trustee board of directors meets on a regular basis, to agree the strategy and areas of activity for CST, including consideration of grants, investments, reserves, risk management and the Charity's performance. The day-to-day administration of CST operations is delegated to the CEO, David Delew, who is supported by the senior management team.

The remuneration of the CEO is set by the Trustee. The remuneration of staff is recommended by the CEO and submitted to the Trustee for approval. Remuneration is based upon the market rate for the post, with previous experience and length of service also considered as relevant factors. The Trustee board of directors are not remunerated, nor do they receive any reimbursement of expenses.

5. OBJECTIVES AND ACTIVITIES

From 1 April 2017 to 31 March 2018, CST focused upon its key objective of promoting good relations in the UK between the Jewish community and all other members of society. This was achieved by following the objects of the charity:

- To promote good race relations between the Jewish community and other members of society by working towards the elimination of racism in the form of antisemitism.
- To relieve the victims of racial or religious prejudice and especially antisemitism who are in need or who have suffered hardship or distress.
- To promote research into racism, antisemitism and extremism and to publish the results of such research and otherwise to promote public education about racism, antisemitism and extremism.
- To promote the efficiency of the police within the community at large and the promotion of good citizenship and greater public participation in the prevention of crime with particular reference to:
 - providing security assistance to the Jewish community;
 - the maintenance of public order, safety and security;
 - mitigation, security and protection against antisemitism and terrorism;
 - promoting the safety of or safeguarding human life in the event of an emergency; and
 - racially motivated crime, especially antisemitic crime.

CST also promotes and supports other charitable purposes or institutions as the Trustee may from time to time think fit.

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6. ACHIEVEMENTS AND ACTIVITIES

6.1. Antisemitic Incidents: Reporting and Analysis

CST records and publishes reports on antisemitic incidents nationwide and is widely recognised as the UK's leading authority on such matters. These incidents include reports received directly from members of the public and also those shared by various police forces.

6.2. Working with the Government, Civil Servants and the Police

CST continues its central role in the Government Taskforce on Combating Antisemitism, working with the Government, civil servants, the police and others in helping to work towards the goal of eliminating antisemitism.

Taskforce meetings are attended by CST and representatives of other UK Jewish communal bodies. These meetings set the framework for the Government's actions against antisemitism. The meetings review progress across departments, discuss new developments and suggest further actions. The meetings also provide an excellent example of cross communal cooperation and communication with the Government, which can serve as a useful template for other groups and minorities.

CST provided expert advice to the Home Affairs Select Committee Inquiry into online Hate Crime and its subsequent April 2017 report: *Abuse, Hate and Extremism Online*. CST submitted evidence to the Home Affairs Select Committee Inquiry into Hate Crime and its Violent Consequences.

CST's prominence in the 2016 hate crime inquiry and report: *The Home Office and DCLG Hate Crime Action Plan*, led to CST's subsequent participation in a Ministerial Seminar on online hate crime in 2017, with both government ministers and representatives of social media platforms.

CST's expertise regarding online extremism and hate crime was further shown by its membership of the Community Advisory Group that helps advise the Mayor of London's 2017 initiative for specialist police to investigate and tackle hate crime online.

CST and Maccabi GB (a sports and youth leadership charity) jointly run Streetwise, a personal development and well-being project for Jewish youth. CST helped obtain £160,000 of government support for the Streetwise project, and for Stand Up!, which delivers anti-discrimination education, especially on antisemitism and anti-Muslim hate, to children of all backgrounds in schools of all types. The funding began in November 2016 and continues until April 2019. CST also helped assist successful appeals for government funding for the community cohesion projects Solutions Not Sides and Bridges Not Boycotts.

In 2017 CST became an accredited trainer for Project Griffin, which is run by the National Counter Terrorism Security Office and assists public safety by advising on understanding terrorism, responding to terrorism, and identifying and reporting suspicious activity.

In September 2017, CST published *Hate Crime: A Guide for Those Affected*, co-authored by CST with the Crown Prosecution Service and the anti-Muslim hate crime group Tell MAMA. This has been distributed to Hate Crime Liaison Officers, victim support services, courts, the CPS and to victims and witnesses of antisemitism and other forms of hate crime.

CST continued to support and participate in National Hate Crime Awareness Week.

In 2017-2018, CST was consulted by and met the new Government Counter Extremism Commission.

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Twice in 2017, the national UK terror threat level categorised by the Government and security services was raised to its highest level "critical", meaning an attack is expected "imminently", before it was then lowered to its second highest level, "severe", meaning an attack is "highly likely". This reflected an unusually high number of terror attacks (Westminster vehicle ramming and stabbings on 22 March, Manchester Arena suicide bombing on 22 May, London Bridge vehicle ramming and stabbings on 3 June, Finsbury Park Mosque vehicle ramming on 19 June and Parsons Green underground bombing on 15 September). CST is keenly aware that antisemitism lies at the heart of many terrorist groups' ideologies, and this continuing threat is central to all of CST's work and relationships, including the support and partnership received from government and police.

CST provides constant security support for Jewish communities nationwide. Security personnel, drawn from CST staff and volunteers, helped protect Jewish communal buildings and Jewish events throughout 2017-2018. We would not be able to provide our current level of security support to the Jewish communities without our volunteers.

The esteem in which CST is held was shown when the police asked CST to provide security advice for mosques following the 19 June vehicle ramming attack at Finsbury Park Mosque. CST speedily fulfilled this request.

6.3. Administration and Distribution of the Jewish Community Protective Security Grant and Other Security Assistance

In her address as keynote speaker to the CST Annual Dinner in March 2016, then Home Secretary, the Rt Hon. Theresa May MP, announced that, in the fiscal year 2016-17, the Government would provide £13.4 million of funding for UK Jewish community security measures. This Home Office grant combined two previous sums that were managed by CST in 2015, one of £3 million, the other of £10.4 million.

The £13.4 million of funding, which CST manages and distributes as grant recipients, was then renewed for the fiscal year 2017-2018, following an announcement by then Home Secretary, the Rt Hon. Amber Rudd MP, in her keynote addresses to consecutive CST Annual Dinners in March 2017 and March 2018.

The importance of this project lies in both the security that it provides, and also in the reassurance that it gives to Jewish communities, demonstrating the Government's commitment to oppose antisemitism. That CST is repeatedly entrusted with this task shows the continuing close cooperation with the Government and civil servants.

6.4. CST Security Project Funding

For the fiscal year 2017-2018, CST continued its Protective Windows Project and Security Enhancement Project. These projects have seen CST provide security upgrades, equipment and installations at many hundreds of Jewish buildings throughout the UK, at a cost to the Charity to date of over £11 million.

The success of these projects lies in the security that they provide and also in the working partnerships that they foster between CST and these Jewish locations.

The goal of these projects is for all Jewish premises to best meet the recommendations of government counterterrorism guidance, which may be summarised as deterring, detecting and delaying intruders.

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6.5. Interfaith Work and Sharing Expertise

CST regularly shares its expertise through its leading role in many police and other community forums. In 2017, this extended beyond hate crime advice to counter-terrorism security advice, in particular for British Muslim communities following the deadly vehicle ramming attack on 19 June 2017 upon worshippers exiting from Finsbury Park mosque in north London. At the request of the police, CST provided security guidance for distribution to mosques. CST's work was intrinsic to security advice for mosques distributed by both Faith Associates and Tell MAMA.

In 2017-2018, CST continued to work closely with the Tell MAMA project (Measuring Anti-Muslim Attacks) on its work regarding hate crimes against British Muslims. CST and Tell MAMA used their partnership to work with the CPS and DCLG on the production of a hate crime guide for all those affected by any type of hate crime. This user-friendly guide explains police, prosecution and court procedures and has been widely distributed.

CST's relationship with Tell MAMA enabled Streetwise (see section 6.6 below) to establish and successfully run Stand Up! Education Against Discrimination, which began in January 2017 and uses young Jewish and Muslim educators to explain antisemitism and anti-Muslim hatred to schoolchildren. This provides anti-racism and anti-discrimination lessons for non-Jewish children in non-Jewish schools. CST also brought two other organisations into the project, the football anti-racism organisation Kick It Out, and GALOP, which works against domestic abuse, homophobia and other "LGBT+" related hate crimes.

CST promoted the Stand Up! programme to the Government, which awarded the project a substantial three-year grant recognising the importance, to society as a whole, of educating against both anti-Jewish and anti-Muslim hatred. Launched in January 2017, Stand Up! reached over 5,000 students in over 30 schools throughout 2017. From 1 January 2018 to 31 March 2018, Stand Up! reached over 1,500 students in over ten schools.

CST assisted the community cohesion projects Solutions Not Sides and Bridges Not Boycotts to make successful requests for government funding.

CST staff continued their advisory and participatory roles in numerous official forums, including the Crown Prosecution Service Hate Crime Panel, the Ministry of Justice Independent Advisory Group on Hate Crime and the London Mayor's Office for Policing and Crime (MOPAC) Hate Crime Strategy Delivery Panel. This includes CST offering its security expertise to advise other faith-based groups via the Mayor's office.

CST supports further cross-communal anti-hate crime initiatives, including National Hate Crime Awareness Week, the annual No2H8 Awards and the MOPAC-supported Community Alliance to Combat Hate Crime (CATCH).

CST also continued to play a leading role in the European Union-funded Facing Facts project, helping to train other minority groups throughout Europe in the collection, analysis and presentation of hate crime data. This project takes CST's expertise and makes it available for the benefit of others in the UK and throughout the EU. Similarly, CST continued its advisory role within the Fundamental Rights Agency of the European Union and continued its work with the OSCE Office for Democratic Institutions and Human Rights (OSCE / ODIHR).

CST's International Director continued his role as the national UK representative on the Council of Europe's anti-racism body, ECRI (European Commission against Racism and Intolerance). This is a striking example of CST's expertise now being utilised on behalf of the UK as a whole, playing a leading role in the development and monitoring of government, policing and judicial actions against antisemitism and other forms of prejudice.

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The importance of this work lies in utilising CST's expertise and experience to build working alliances against racism and extremism, specifically with other communities, leading to the improvement of relations across communities and the reduction of divisions and hostilities.

6.6. Streetwise - Helping Jewish Youth

CST's Streetwise programme, run in conjunction with Maccabi GB, saw over 20,000 young people taught personal safety and personal development in support of their physical and emotional well-being, with courses run in over 50 schools, most of which (but not all) are Jewish. This is a key project for CST, helping Jewish youth to feel confident and avoid becoming victims of crime, and educating them against drug and alcohol abuse.

CST also oversaw the establishment of a new Streetwise initiative entitled Stand Up!, which works in schools of all types and teaches children of all backgrounds not to discriminate, especially regarding antisemitism and anti-Muslim hatred.

6.7. Activities in Scotland

CST has been a registered charity in Scotland (SC043612) since 29 November 2012. CST's activities in Scotland are broadly the same as those undertaken in the rest of the UK. CST records antisemitic incidents against Scottish Jews and these are included in the annual report of antisemitic incidents throughout the UK. CST works with Scottish Jewish leaders, communal bodies and the police, providing advice on security, antisemitism and related matters. Where appropriate, CST joins representatives of Scottish Jewry at meetings with the Scottish Government, civil servants and Police Scotland.

6.8. Volunteers and Training

The training of CST's security staff and volunteers was consistently adapted throughout 2017-2018 to meet the modus operandi of terror attacks, most notably responding to the threat posed by the increasing use of knives and vehicles.

7. MEASURES OF SUCCESS

CST's progress towards its objectives are the criteria by which the Trustee gauges the success, or otherwise, of CST's work, reputation and impact. The Charity's performance against its objectives in 2017-2018 repeatedly demonstrated the continuing successful reach and influence of CST both within Jewish communities across the UK and with the Government and the police.

For example, as the pace and threat of terrorism reached new UK levels in 2017, CST staff and volunteers, reacting to both the threat and the increasing levels of concern across the Jewish community, secured more events and venues than ever before. The continuing dedication of existing volunteers and the regular influx of new volunteers joining the charity, is a strong measure of the success of CST in galvanising the Jewish community to participate actively and responsibly in its own protection under very testing circumstances.

CST worked alongside the police throughout the Jewish festivals and ensured that the Government's £13.4 million grant for guarding at Jewish schools and other locations was managed to the highest standard, as overseen and agreed by Home Office officials.

Perhaps the single most important development in CST's capability was the continued growth in the number of Jewish sites across the UK with direct links to CST's 24/7 national security control centre.

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CST's understanding of antisemitism, including levels of antisemitic hate crimes, continues to be the key reference point for police, government, responsible media outlets as well as Jewish community leaders and representative groups.

8. PRIMARY FACTOR AFFECTING CST: THE THREAT OF TERRORISM

All of society remains at threat from extreme Jihadist terrorism. The Jewish community, however, remains amongst the primary ideological and physical targets for such extremists, including ISIS, al-Qaeda and those individuals or small groups who are inspired to act in support of them.

CST's discussions with police and government leave the Charity in no doubt that the overall current threat will persist for the foreseeable future. CST's provisions of security must therefore be proactive and widespread throughout British Jewish communities. This requires these Jewish communities to be consistent in their support for the Charity.

9. SIGNIFICANT EVENTS THAT COULD AFFECT THE FINANCIAL PERFORMANCE OF THE CHARITY

Potentially significant events that could affect the financial performance of CST are not significantly different to those facing any charity, such as a reputational or functional failure on the part of the Charity or a material change in the circumstance of CST donors.

10. FUTURE PLANS

The Trustee anticipates that acts of terrorism and antisemitism are unlikely to diminish in the foreseeable future. CST's objectives are unlikely to change during this time and there will be no significant alterations to CST's strategy and overall work priorities.

The Trustee understands that the current problem of terrorism and antisemitism has endured from the early 2000s, requiring CST to keep developing its staffing levels, its professionalism, its volunteer base, and its provision of security equipment, personnel, training and advice. The UK Jewish community rightly makes more demands of CST's services than ever before, but this requires CST to meet the challenges, including increased funding for CST's core budget and provision of the Security Enhancement Project assistance to community locations. The Trustee will continue seeking to expand CST's donor base, through fundraising activities, for example, in partnership with synagogue bodies. The Trustee will continue seeking to increase the development of staff and volunteers through training.

11. FINANCIAL REVIEW

11.1.1 Surplus for the Year

The Statement of Financial Activities reports net income for the year of £658,409. This net income reflects cost management in the organisation over the past year and reflects the ability of the organisation to operate within its financial limitations.

11.1.2 Income

The Statement of Financial Activities reports incoming resources during the 12-month period amounting to £20,198,318 (2016/17: £30,372,816). The reduction from last year is a result of the current year being a twelve-month period compared to a fifteen-month period for the previous reporting period. As a result, the previous reporting period included two CST annual dinners in addition to an extra three months' income and government grant funding.

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During the twelve-month period, CST raised donations of £6,077,562 (2016/17: £9,082,122) to fund its core activities. Income from donations is analysed in notes 2 and 3 of the Accounts.

11.1.3 Expenditure

Resources expended amounted to £19,764,383 (2016/17: £28,133,463). As explained above, the significant decrease in expenditure is a result of the reduction in the reporting period from fifteen to twelve months.

Expenditure on raising funds in the year totalled £843,092 (2016/17: £976,812). The decrease is primarily explained by the reporting period including one CST annual dinner event.

Charitable activities in promoting race relations, combating antisemitism and providing security was £5,521,291 (2016/17: £7,057,871). This area of expenditure reflects CST's continuing support for existing programmes.

Movement in Funds and Total Net Assets

After other recognised net gains on investment of £224,474 (2016/17: £770,337), the net movement in funds for the year was an increase of £658,409 (2016/17 £3,009,690). Total funds and net assets at the year-end amounted to £17,422,235 (2016/17: £16,763,826). This is explained further in Note 20 of this report.

11.1.4 Approach to fundraising

CST seeks to raise an annual amount of money equivalent to the needs of the organisation's budget, with a 10% surplus to be added to reserves.

Funds are raised almost entirely from the UK's Jewish community and primarily from a relatively small number of regular donors from around the UK, and an even smaller number overseas. Should a large pledge be received from a new donor, checks are made to ensure that the donor is known to CST or its existing supporters before the donation can be accepted.

Methods of fundraising include dinners, lunches and mailing campaigns, as well as direct approaches by directors of the Trustee and staff. CST also makes applications for funding to selected charitable trusts who might be sympathetic to our work. CST does not cold call.

11.1.5 Work with, and oversight of, any commercial participators/professional fundraisers

CST does not work with third party fundraisers.

11.1.6 Fundraising conforming to recognised standards

CST is registered with the Fundraising Regulator, and is in full compliance with their current Code of Fundraising Practice.

11.1.7 Fundraising complaints

CST has a documented complaints procedure, and all staff have received appropriate training. Complaints are logged on an internal system and for the period ending 31 March 2018, we have had no complaints to our Fundraising Department or in relation to our fundraising activities.

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11.1.8 Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate

CST does not use third parties or pressure techniques to raise money. Most of our donors are known to us and, where we feel that a donor is vulnerable, we act with sensitivity. In cases where a donor has a form of dementia, we will ensure we speak to another member of the family. Whilst legacy giving is promoted, beneficiaries are not put under pressure to influence a testator. As an organisation acting within a relatively small community, CST does not use aggressive or persistent behaviours to try to elicit funds. Maintaining good relations with donors and potential donors has been a far more productive strategy.

11.1.9 2017-2018 fundraising performance

Fundraising during the period met the target set by the Trustee.

Compared to the previous twelve-month period there was an increase in annual charitable income of 6%. Four fatal terrorist attacks in the UK during the first half of 2017 prompted an increase in concern amongst the community and support for the mission of CST. However this was counter-balanced by further political and economic uncertainty following the General Election. The second half of the year saw relatively modest attendances at fundraising events and the full-year income forecast was revised slightly downwards.

All Trustee Board meetings were presented with reports on fundraising progress and activity.

11.1.10 Home Office Grant for Protective Security of the Jewish Community

In December 2010, the Department for Education (DfE) announced an annual grant of up to £2 million to cover the costs of paid security guards at government-maintained and voluntary-aided Jewish schools in England. This continued until June 2015, when the DfE raised the annual grant to £3 million, again intended to cover the costs of paid security guards at all government-maintained and voluntary-aided Jewish schools in England.

In March 2015, the Government announced that it would also pay for security guard costs at private and independent Jewish schools and other sensitive locations. As with the continuing DfE funding, this new £10.4 million funding was also to be administered on behalf of the Government by CST, but would come from a new Home Office grant for protective security of the Jewish Community.

As of 1 April 2016 the two government grants (DfE and Home Office) were combined into a single Home Office grant for the Protective Security of the Jewish Community of £13.4 million.

CST is the recipient of the Home Office grant, and, primarily as an administrator and facilitator, acts as the conduit providing funding from the Government to Jewish locations. For the twelve-month period, CST was granted £250,000 to cover the administration of the grant, an amount considerably below the actual cost to the Charity for such work. The majority of grant money was distributed in arrears to the Jewish community to cover costs of security guarding and equipment at hundreds of Jewish private and independent schools (DfE approved), and community sites.

12. INVESTMENT POLICY

The Trustee's aim is to achieve an investment return in excess of inflation. Sufficient funds are retained in cash or readily accessible investments to meet current and anticipated expenditure requirements. The Trustee's policy is that its funds should be invested to produce a balance of both income and capital growth, investing in UK fixed interest securities, cash deposits and property. The Trustee accepts a medium degree of risk. Details of CST's fixed asset investments and revaluations are included in Note 15 to the accounts.

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13. RESERVES POLICY

It is the policy of the Trustee that unrestricted funds, which have not been designated for a specific use, should be maintained at a level equivalent to at least the next 12 months' anticipated unrestricted expenditure. The Trustee considers that reserves at this level will ensure that, in the event of a significant drop in funding, it will be able to continue the Charity's current activities whilst consideration is given to ways in which additional funds may be raised and costs reduced.

At 31 March 2018, total unrestricted funds were £17,304,383 (2016/17: £15,329,568). Of these funds, £1,800,000 (2016/17: £1,800,000) was designated to meet 18 months of security enhancement expenditure, £2,363,894 (2016/17: £1,145,941) was designated in relation to fixed assets, and the Charity has designated its investment property asset of £5,350,000 (2016/17: £5,350,000) as a separate fund, to represent more clearly the fact that this is an asset held for income generation. Free reserves at the year-end totalled £7,790,489 (2016/17: £7,033,627), which is in line with the reserves policy as set out above.

At the year-end, total restricted funds were made up of non-government restricted funds of £117,852 (2016/17: £126,526) and restricted government funds £nil (2016/17: £nil).

14. RISK MANAGEMENT

The Trustee continues to assess the major risks to which the Charity is exposed. The Trustee keeps under continual review the systems that are in place to mitigate exposure to major risks and makes such changes as are necessary to ensure the continued adequacy of such systems.

The following are amongst the risk areas identified within the Risk Register: loss of charitable status; conflict of interest for individual directors of the corporate trustee; loss of directors of the corporate trustee or key CST staff; libel; data protection; reputational damage; financial reporting failure; health and safety compliance; employment law compliance; volunteer recruitment; staff and volunteer training; security provision failure; fundraising failure; I.T. failure; loss of key buildings; exceeding budget expenditure; poor funding investment; increase in debtors; fraud.

The Trustee is satisfied that sufficient procedures are in place to identify and manage key risks faced by the Charity which are kept under review.

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15. TRUSTEE'S RESPONSIBILITIES STATEMENT

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Scotland requires the Trustee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity, and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

16. AUDITOR

Lubbock Fine have expressed their willingness to continue as the CST's auditor. A resolution proposing that they are reappointed as auditors will be put to the Trustee.

This report was approved by the Trustee on 12/11/18 and signed on their behalf by:

Trustee

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF COMMUNITY SECURITY TRUST

OPINION

We have audited the financial statements of Community Security Trust (the 'Charity') for the year ended 31 March 2018 set out on pages 16 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2018 and of its incoming resources and application of resources 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

COMMUNITY SECURITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF COMMUNITY SECURITY TRUST

OTHER INFORMATION

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Trustee's Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustee's Responsibilities Statement, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

COMMUNITY SECURITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF COMMUNITY SECURITY TRUST

USE OF OUR REPORT

This report is made solely to the Charity's Trustee, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustee, for our audit work, for this report, or for the opinions we have formed.



Lubbock Fine

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 10/12/18

Lubbock Fine are eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

COMMUNITY SECURITY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME AND ENDOWMENTS FROM:						
Donations	2	5,733,080	344,482	-	6,077,562	9,082,122
Grant income:						
Department for Education School Security Grant	4	-	-	-	-	873,988
Home Office Protective Security Grant	4	-	13,400,000	-	13,400,000	19,224,792
Donations under Gift Aid from CST Promotions Limited	3	142,376	-	-	142,376	518,830
Other income	5	578,380	-	-	578,380	673,084
TOTAL INCOME AND ENDOWMENTS		6,453,836	13,744,482	-	20,198,318	30,372,816
EXPENDITURE ON:						
Raising funds	6	843,092	-	-	843,092	976,812
Charitable activities:						
Promote race relations, combat antisemitism and provide security	6	5,168,135	353,156	-	5,521,291	7,057,871
Department for Education School Security Grant	6	-	-	-	-	873,988
Home Office Protective Security Grant	6	-	13,400,000	-	13,400,000	19,224,792
TOTAL EXPENDITURE	6	6,011,227	13,753,156	-	19,764,383	28,133,463
NET BEFORE INVESTMENT GAINS		442,609	(8,674)	-	433,935	2,239,353
Net gains on investments	14,15	224,474	-	-	224,474	770,337
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		667,083	(8,674)	-	658,409	3,009,690
Transfers between Funds	20	1,307,732	-	(1,307,732)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,974,815	(8,674)	(1,307,732)	658,409	3,009,690
NET MOVEMENT IN FUNDS		1,974,815	(8,674)	(1,307,732)	658,409	3,009,690
RECONCILIATION OF FUNDS:						
Total funds brought forward		15,329,568	126,526	1,307,732	16,763,826	13,754,136
TOTAL FUNDS CARRIED FORWARD		17,304,383	117,852	-	17,422,235	16,763,826

Notes on pages 19 to 35 are part of the financial statements. Comparatives cover a 15 month period to 31 March 2017.

COMMUNITY SECURITY TRUST

BALANCE SHEET

AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13	2,363,896		2,453,675	
Investment property	14	5,350,000		5,350,000	
Total tangible assets			7,713,896		7,803,675
Investments	15		4,936,529		4,712,055
			12,650,425		12,515,730
CURRENT ASSETS					
Debtors	16	5,930,664		6,095,677	
Investments	17	552,482		1,563,037	
Cash at bank and in hand		2,620,716		1,342,289	
		9,103,862		9,001,003	
CREDITORS: amounts falling due within one year	18	(4,332,052)		(4,752,907)	
NET CURRENT ASSETS			4,771,810		4,248,096
NET ASSETS			17,422,235		16,763,826
CHARITY FUNDS					
Endowment funds	20	-			1,307,732
Restricted funds	20	117,852			126,526
Unrestricted funds	20	17,304,383			15,329,568
TOTAL FUNDS			17,422,235		16,763,826

The financial statements were approved and authorised for issue by the Trustee on 12/11/18

Trustee

The notes on pages 19 to 35 form part of these financial statements.

COMMUNITY SECURITY TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

		31 March 2018 £	15 months ended 31 March 2017 £
	Note		
Cash flows from operating activities			
Net cash provided by operating activities	23	356,948	823,100
Cash flows from investing activities			
Dividends, interest and rents from investments		137,786	133,948
Purchase of fixed assets		(226,862)	(609,095)
Purchase of investments		-	(3,000,000)
Net cash used in investing activities		(89,076)	(3,475,147)
Change in cash and cash equivalents in the year		267,872	(2,652,047)
Cash and cash equivalents brought forward		2,905,326	5,557,373
Cash and cash equivalents carried forward	24	3,173,198	2,905,326

The notes on pages 19 to 35 form part of these financial statements.

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Community Security Trust constitutes a public benefit entity as defined by FRS 102.

Comparative figures include the results of The Group Relations Educational Trust (GRET) following the merger of GRET and CST on 31 March 2016.

The accounts of the Charity's trading subsidiary, CST Promotions Limited, are not consolidated with these accounts. The trading Company's balance sheet comprises primarily of gift aid owed to the Charity and cash at bank. The Charity has dispensed with preparing consolidated accounts as the trading subsidiary is immaterial.

The Trustee considers that there is no material uncertainty about the Charity's ability to continue as a going concern.

The prior period of account covers 15 months to 31 March 2017 due to a change in the accounting period end as approved by the Charities Commission and Scottish Charity regulator. Therefore the comparatives are not entirely comparable.

1.2 Judgements in applying accounting policies and key sources of estimation uncertainty

There are no significant areas of judgement or key sources of estimation uncertainty arising from the preparation of the financial statements, except for the valuation of the investment property.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

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

Restricted funds are funds 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 costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

COMMUNITY SECURITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income is accounted for on a receivable basis and comprises donations, net surpluses from functions, and receipts under Gift Aid. Pledges are accounted for when made less any provision for pledges that are considered irrecoverable. Grants are accounted for once the charity has entitlement to the income. Entitlement to government grant income arises when a corresponding eligible expenditure commitment is made.

Deferred income represents amounts received for future periods and is released to income in the period for which it has been received. Such income is only deferred when either the donor specifies that the grant or donation must only be used in a future accounting period or has imposed conditions which must be met before the Charity has unconditional entitlement.

1.5 Expenditure

Expenditure is accounted for on an accruals basis. Grants are included in the year they are awarded. The Charity does not publish the names of the organisations to which it has made an award.

The charge relating to the security enhancements project comprises the cost of new commitments approved and communicated to the beneficiary organisation at the year-end date. Outstanding commitments are shown within creditors within one year as these are payable on presentation of invoices for the cost of works by the beneficiary organisation.

All donations made are charged in full to the income and expenditure accounts in the year in which they are payable.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

Governance costs comprise the costs of statutory compliance and relate exclusively to the auditors remuneration detailed in note 9 of these accounts.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Pensions

The pension costs charged in the accounts represent the contributions payable by the Charity to the defined contribution scheme during the year.

COMMUNITY SECURITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property and improvements	-	2% straight line
Fixtures, fittings and equipment	-	33.33% straight line
Motor vehicles	-	25% straight line

1.9 Fixed asset investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

1.10 Investment properties

Investment properties must be measured initially at cost and subsequently at fair value at the reporting date. Fair value is considered to represent the property's open market value at the reporting date.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.12 Debtors

Donations receivable are recognised at their recoverable amount. Prepayments are valued at the fair value of the future services to be rendered. Accrued income is valued at the fair value of consideration receivable.

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Current asset investments

Current asset investments represent cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes.

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.15 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amounts due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.16 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.17 Lease commitments

Operating lease and rental costs, where substantially all the benefits and risks of ownership remain with the lessor, are charged to revenue expenditure over the lease term.

2. INCOME FROM DONATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	15 months ended 31 March 2017 £
Gift Aid recovered	172,933	-	-	172,933	250,470
Donations from individuals and trusts	5,560,147	-	-	5,560,147	8,529,059
Streetwise project	-	52,250	-	52,250	60,750
Campus fund	-	10,000	-	10,000	10,000
Security enhancement	-	3,000	-	3,000	-
Security equipment project	-	22,909	-	22,909	50,308
Inter communal project	-	22,500	-	22,500	37,500
Social media project	-	-	-	-	27,400
Mishon volunteer awards fund	-	3,750	-	3,750	5,000
JESS income fund	-	-	-	-	27
Victim and witness support fund	-	51,868	-	51,868	64,108
Voluntary training fund	-	15,000	-	15,000	10,000
CCTV Trust fund	-	150,000	-	150,000	37,500
Discourse report	-	900	-	900	-
Jewish Contribution to an Inclusive Europe	-	12,305	-	12,305	-
Total donations and legacies	5,733,080	344,482	-	6,077,562	9,082,122
Total 2017	8,774,529	307,593	-	9,082,122	

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. GIFT AID DONATION FROM CST PROMOTIONS LIMITED

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	15 months ended 31 March 2017 £
Gift Aid donation from CST Promotions Limited	142,376	-	-	142,376	518,830
Total 2018	142,376	-	-	142,376	518,830
Total 2017	518,830	-	-	518,830	

4. GRANT INCOME

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	15 months ended 31 March 2017 £
Home Office Protective Security Grant	13,400,000	-	13,400,000	19,224,792
Department for Education School Security Grant	-	-	-	873,988
Total 2018	13,400,000	-	13,400,000	20,098,780
Total 2017	20,098,780	-	20,098,780	

5. OTHER INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	15 months ended 31 March 2017 £
Rental income	440,594	-	440,594	539,136
Investment income	137,786	-	137,786	133,948
Total 2018	578,380	-	578,380	673,084
Total 2017	673,084	-	673,084	

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

6. ANALYSIS OF EXPENDITURE BY TYPE

	Staff costs 2018 £	Other costs 2018 £	Total 2018 £	15 months ended 31 March 2017 £
Expenditure on fundraising	225,804	617,288	843,092	976,812
Costs of raising funds	225,804	617,288	843,092	976,812
Promote race relations, combat antisemitism and provide security	3,567,626	1,953,665	5,521,291	7,057,871
Department for Education School Security Grant	-	-	-	873,988
Home Office Protective Security Grant	250,000	13,150,000	13,400,000	19,224,792
Charitable activities	3,817,626	15,103,665	18,921,291	27,156,651
Total 2018	4,043,430	15,720,953	19,764,383	28,133,463
Total 2017	4,578,639	23,554,824	28,133,463	

7. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Activities undertaken directly 2018 £	Grant funding of activities 2018 £	Support and governance costs 2018 £	Total 2018 £	15 months ended 31 March 2017 £
Promote race relations, combat antisemitism and provide security	4,268,539	161,000	1,934,844	6,364,383	8,034,683
Department for Education School Security Grant	-	-	-	-	873,988
Home Office Protective Security Grant	834,357	12,565,643	-	13,400,000	19,224,792
Total 2018	5,102,896	12,726,643	1,934,844	19,764,383	28,133,463
Total 2017	8,463,245	16,932,533	2,737,685	28,133,463	

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

8. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	2018	15 months ended 31 March 2017
	£	£
Rent and rates	200,557	253,600
Travel and motor	144,452	167,198
Repairs and maintenance	112,925	502,150
Insurance	137,788	152,490
Marketing	72,796	150,396
Staff training	87,724	146,488
Other support costs	303,712	358,551
Governance costs - auditors remuneration & other services	31,800	30,000
	<hr/>	<hr/>
Total	1,091,754	1,760,873
	<hr/> <hr/>	<hr/> <hr/>

9. AUDITORS' REMUNERATION

	31 March 2018	15 months ended 31 March 2017
	£	£
Fees payable to the charity's auditor	27,300	25,500
Fees payable to the charity's auditor: Other professional services	4,500	4,500
	<hr/>	<hr/>
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COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

10. STAFF COSTS

Staff costs were as follows:

	31 March 2018 £	15 months ended 31 March 2017 £
Wages and salaries	3,457,582	3,909,730
Social security costs	348,599	370,002
Pension costs	237,249	298,907
	<u>4,043,430</u>	<u>4,578,639</u>

The average number of persons employed by the Charity during the year was as follows:

	31 March 2018 No.	15 months ended 31 March 2017 No.
Charitable activities	81	72
Fundraising	6	7
	<u>87</u>	<u>79</u>

The number of higher paid employees was:

	31 March 2018 No.	15 months ended 31 March 2017 No.
In the band £60,000 - £69,999	4	3
In the band £70,000 - £79,999	3	4
In the band £80,000 - £89,999	2	2
In the band £90,000 - £99,999	2	1
In the band £100,000 - £109,999	0	1
In the band £110,000 - £119,999	1	0
In the band £150,000 - £159,999	0	1
In the band £160,000 - £169,999	1	0

The number of higher paid employees has been calculated based on annualised remuneration.

During the year key management annualised remuneration including employers national insurance totalled £998,579 (2017 - £924,379), comprising the CEO and a management team of 7 staff members.

11. TAXATION

No liability arises as Community Security Trust is a registered charity and is therefore exempt from taxation on the income arising from its charitable activities.

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

12. TRUSTEE

The Trustee who served during the year (including directors of the corporate trustee) did not receive any remuneration or have any expenses reimbursed. This was also the case in the prior period.

13. TANGIBLE FIXED ASSETS

	Freehold property and improvements	Motor vehicles	Fixtures, fittings and equipment	Total
Cost				
At 1 April 2017	2,771,092	45,394	1,302,504	4,118,990
Additions	101,921	-	124,941	226,862
At 31 March 2018	<u>2,873,013</u>	<u>45,394</u>	<u>1,427,445</u>	<u>4,345,852</u>
Depreciation				
At 1 April 2017	711,393	45,394	908,528	1,665,315
Charge for the year	51,454	-	265,187	316,641
At 31 March 2018	<u>762,847</u>	<u>45,394</u>	<u>1,173,715</u>	<u>1,981,956</u>
Net book value				
At 31 March 2018	<u>2,110,166</u>	<u>-</u>	<u>253,730</u>	<u>2,363,896</u>
At 31 March 2017	<u>2,059,699</u>	<u>-</u>	<u>393,976</u>	<u>2,453,675</u>

14. INVESTMENT PROPERTY

	Freehold Investment Property £
Valuation	
At 1 April 2017 and 31 March 2018	<u>5,350,000</u>

The freehold investment property was valued at £5,350,000 on 30 June 2016 by professional valuers. In the opinion of the Trustees there has not been any material changes in valuation of the property since June 2016.

COMMUNITY SECURITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15. FIXED ASSET INVESTMENTS

	Listed securities £	Unlisted securities £	Shares in subsidiary undertaking £	Total £
Market value				
At 1 April 2017	1,715,743	2,996,212	100	4,712,055
Revaluations	27,059	197,415	-	224,474
At 31 March 2018	<u>1,742,802</u>	<u>3,193,627</u>	<u>100</u>	<u>4,936,529</u>

The Charity owns 100% of the ordinary share capital of CST Promotions Limited, a trading company (Company number: 03010390).

At the period end CST Promotions Limited had aggregate capital and reserves of £100 (2017 - £100) represented by:

	2018 £	2017 £
Debtors	149,879	206,172
Cash at bank	186,164	170,515
Creditors	(335,943)	(376,587)
Net liability	<u>100</u>	<u>100</u>

CST Promotions Limited donates its profit to CST. Income and expenditure for the year is shown below:

	2018 £	15 month period to 31 March 2017 £
Income	317,914	571,173
Cost of Sales	(23,202)	(49,558)
Administrative costs	(10,285)	(5,129)
Profit / (loss)	<u>284,427</u>	<u>516,486</u>

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

16. DEBTORS

	2018	2017
	£	£
Donations receivable	2,279,363	2,085,038
Home Office grant commitments	2,740,943	3,105,681
Amounts owed by group undertakings	169,629	353,745
Other debtors	450,469	347,172
Prepayments and accrued income	290,260	204,041
	<u>5,930,664</u>	<u>6,095,677</u>

17. CURRENT ASSET INVESTMENTS

	2018	2017
	£	£
Cash equivalents on deposit	<u>552,482</u>	<u>1,563,037</u>

18. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	387,953	118,286
Other taxation and social security	118,095	112,392
Home Office grant commitments	2,514,572	2,669,145
Security enhancement project commitments	1,068,174	1,504,455
Other creditors	243,258	348,629
	<u>4,332,052</u>	<u>4,752,907</u>

19. FINANCIAL INSTRUMENTS

	31 March	31 March
	2018	2017
	£	£
Financial assets measured at amortised cost	<u>3,361,041</u>	<u>3,806,599</u>
Financial liabilities measured at amortised cost	<u>4,316,178</u>	<u>4,734,390</u>

COMMUNITY SECURITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds						
Security enhancements	1,800,000	-	-	-	-	1,800,000
Fixed asset fund	1,145,941	-	(316,641)	1,534,594	-	2,363,894
Investment property fund	5,350,000	-	-	-	-	5,350,000
	<u>8,295,941</u>	<u>-</u>	<u>(316,641)</u>	<u>1,534,594</u>	<u>-</u>	<u>9,513,894</u>
General funds						
General Funds	7,033,627	6,453,836	(5,694,586)	(226,862)	224,474	7,790,489
Total Unrestricted funds	<u>15,329,568</u>	<u>6,453,836</u>	<u>(6,011,227)</u>	<u>1,307,732</u>	<u>224,474</u>	<u>17,304,383</u>
Endowment funds						
Building fund	<u>1,307,732</u>	<u>-</u>	<u>-</u>	<u>(1,307,732)</u>	<u>-</u>	<u>-</u>
Restricted funds						
Home Office Protective Security Grant	-	13,400,000	(13,400,000)	-	-	-
Aggregated smaller restricted grants	<u>126,526</u>	<u>344,482</u>	<u>(353,156)</u>	<u>-</u>	<u>-</u>	<u>117,852</u>
	<u>126,526</u>	<u>13,744,482</u>	<u>(13,753,156)</u>	<u>-</u>	<u>-</u>	<u>117,852</u>
Total of funds	<u>16,763,826</u>	<u>20,198,318</u>	<u>(19,764,383)</u>	<u>-</u>	<u>224,474</u>	<u>17,422,235</u>

Designated funds:

The security enhancements fund provides for 18 months of security enhancement expenditure.

The fixed asset fund represents the funds donated to the Charity for the purchase of fixed assets for its long term use. Depreciation is charged against the fund and a transfer is made to or from unrestricted funds to adjust for additions and disposals to the fund. In the current year the transfer includes the balance from the endowment fund as noted below.

The investment property fund represents the Charity's investment property, which is principally held for income generation to further the Charity's charitable objectives.

Endowment fund:

The Building Fund represents specific donations received in prior years towards the cost of the office building and its fittings. Depreciation is charged against this fund to reflect the reduction in value in each period.

Following a review of the endowment fund by the Trustee, it was agreed that this endowment was received in order to purchase the building used by the Charity which occurred a number of years ago. As the deemed conditions on this endowment has been met, the fund has been transferred to a designated fund.

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

20. STATEMENT OF FUNDS (continued)

Restricted funds:

The Home Office Protective Security Grant is used to reimburse the Jewish community's state aided schools, independent & private schools, sensitive locations and synagogues for their security costs. This also included income and expenditure to administer the grant.

The Department for Education School Security Grant (see statement of funds - prior year) is used to reimburse state aided Jewish schools for their security costs. On 1 April 2016 this grant funding was combined with the above Home Office Protective Security Grant.

All remaining restricted funds with income or expenditure below £200,000 have been aggregated for convenience of display. Separate internal records are maintained for reporting and project monitoring purposes, to ensure all grant restrictions are fully complied with.

STATEMENT OF FUNDS - PRIOR PERIOD

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds						
Security enhancements	1,800,000	-	-	-	-	1,800,000
Fixed asset fund	891,986	-	(355,140)	609,095	-	1,145,941
Investment property fund	4,800,000	-	-	-	550,000	5,350,000
	<u>7,491,986</u>	<u>-</u>	<u>(355,140)</u>	<u>609,095</u>	<u>550,000</u>	<u>8,295,941</u>
General funds						
General Funds	4,835,825	9,966,443	(7,379,883)	(609,095)	220,337	7,033,627
Total Unrestricted funds	<u>12,327,811</u>	<u>9,966,443</u>	<u>(7,735,023)</u>	<u>-</u>	<u>770,337</u>	<u>15,329,568</u>
Endowment funds						
Building fund	<u>1,339,427</u>	<u>-</u>	<u>(31,695)</u>	<u>-</u>	<u>-</u>	<u>1,307,732</u>
Restricted funds						
Home Office Protective Security Grant	-	19,224,793	(19,224,793)	-	-	-
Department for Education School Security Grant	-	873,988	(873,988)	-	-	-
Aggregated smaller restricted grants	86,898	307,592	(267,964)	-	-	126,526
	<u>86,898</u>	<u>20,406,373</u>	<u>(20,366,745)</u>	<u>-</u>	<u>-</u>	<u>126,526</u>
Total of funds	<u>13,754,136</u>	<u>30,372,816</u>	<u>(28,133,463)</u>	<u>-</u>	<u>770,337</u>	<u>16,763,826</u>

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

20. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds	8,295,941	-	(316,641)	1,534,594	-	9,513,894
General funds	7,033,627	6,453,836	(5,694,586)	(226,862)	224,474	7,790,489
	15,329,568	6,453,836	(6,011,227)	1,307,732	224,474	17,304,383
Endowment funds	1,307,732	-	-	(1,307,732)	-	-
Restricted funds	126,526	13,744,482	(13,753,156)	-	-	117,852
	16,763,826	20,198,318	(19,764,383)	-	224,474	17,422,235

SUMMARY OF FUNDS - PRIOR PERIOD

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds	7,491,986	-	(355,140)	609,095	550,000	8,295,941
General funds	4,835,825	9,966,443	(7,379,883)	(609,095)	220,337	7,033,627
	12,327,811	9,966,443	(7,735,023)	-	770,337	15,329,568
Endowment funds	1,339,427	-	(31,695)	-	-	1,307,732
Restricted funds	86,898	20,406,373	(20,366,745)	-	-	126,526
	13,754,136	30,372,816	(28,133,463)	-	770,337	16,763,826

21. FUND TRANSFERS

An amount of £226,862 has been transferred from general funds to designated funds representing fixed assets purchased during the period. The carried forward balance on the fixed asset fund represents the value of the operational fixed assets used to further the charity's objectives.

Following a review of the endowment fund by the Trustee, it was agreed that this endowment was received in order to purchase the building used by the Charity which occurred a number of years ago. As the deemed conditions on this endowment have been met, the fund totalling £1,307,732 has been transferred to a designated fund.

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	2,363,896	-	-	2,363,896
Fixed asset investments	4,936,529	-	-	4,936,529
Investment property	5,350,000	-	-	5,350,000
Current assets	5,946,940	3,156,922	-	9,103,862
Creditors due within one year	(1,292,982)	(3,039,070)	-	(4,332,052)
	<u>17,304,383</u>	<u>117,852</u>	<u>-</u>	<u>17,422,235</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	1,145,943	-	1,307,732	2,453,675
Fixed asset investments	4,712,055	-	-	4,712,055
Investment property	5,350,000	-	-	5,350,000
Current assets	5,606,050	3,394,953	-	9,001,003
Creditors due within one year	(1,484,480)	(3,268,427)	-	(4,752,907)
	<u>15,329,568</u>	<u>126,526</u>	<u>1,307,732</u>	<u>16,763,826</u>

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31 March 2018 £	15 months ended 31 March 2017 £
Net income for the year (as per Statement of Financial Activities)	658,409	3,009,690
Adjustment for:		
Depreciation charges	316,641	386,835
Gain on investments	(224,474)	(770,337)
Dividends, interest and rents from investments	(137,786)	(133,948)
Decrease / (increase) in debtors	165,013	(1,193,154)
Decrease in creditors	(420,855)	(475,986)
Net cash provided by operating activities	<u>356,948</u>	<u>823,100</u>

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	2,620,716	1,342,289
Current asset investments	552,482	1,563,037
	<hr/>	<hr/>
Total	3,173,198	2,905,326
	<hr/>	<hr/>

25. PENSION COMMITMENTS

The pension charge per the accounts represents contributions paid by the Charity for the period and amounted to £237,249 (2017 - £298,907) in respect of defined contribution schemes.

26. OPERATING LEASE COMMITMENTS

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Within 1 year	42,907	84,394
Between 1 and 5 years	31,601	47,298
	<hr/>	<hr/>
Total	74,508	131,692
	<hr/>	<hr/>

Operating lease payments in the year were £100,948 (2017 - £90,894).

27. OPERATING LEASES - LESSOR

At 31 March 2018 the total of the Charity's future minimum lease receipts under non-cancellable operating leases was:

	2018 £	2017 £
Within 1 year	407,279	407,279
Between 1 and 5 years	1,520,012	1,563,245
After 5 years	3,940,375	4,300,261
	<hr/>	<hr/>
	5,867,666	6,270,785
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The charity receives rent from leasing out some of the floors of its main office and from the investment property held.

COMMUNITY SECURITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

28. RELATED PARTY TRANSACTIONS

As at 31 March 2018, the Charity was owed £169,629 (2017 - £353,745) by its trading subsidiary, CST Promotions Limited. This amount is unsecured, interest free and repayable on demand.

During the year the Charity received donations totalling £291,538 (2017 - £375,300) from the directors of the Corporate Trustee, and parties over which the directors had control or significant influence.

During the year the charity was provided professional services by HW Fisher & Company Limited for £6,300 (2017 - £8,700), a company with a mutual director with the Corporate Trustee.