

Company number 2967916

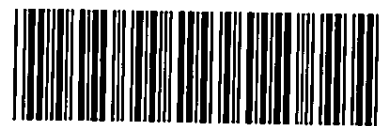
Charity number: 1042541

World ORT Trust

Report and Financial Statements
(a company limited by guarantee)

Year ended 31 December 2007

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The trustees of World ORT Trust present their annual report for the year ended 31 December 2007

Trustees and Directors	Harold Ivor Connick Mauricio Menkanskas (also a trustee of World ORT) Mark Simon Mishon (also a trustee of British ORT) Robert Sill (was a trustee of World ORT to 2nd June 2008) Peter Sussman
Status	World ORT Trust, "the Charity", is registered with the Charity Commissioners under registration number 1042541 and with Companies House under company number 2967916 The directors of the charitable company are its trustees for the purposes of charity law and throughout the report are collectively referred to as trustees
Secretary	Stephen West
Registered office and operational address	ORT House, 126 Albert Street, Camden Town, London, NW1 7NE
Company number	2967916
Charity number	1042541
Senior Management Team	Robert Singer Chief Executive Stephen West Chief Financial Officer
Auditors	Ernst & Young LLP, 1 More London place, London SE1 2AF
Bankers	Lloyds TSB Bank PLC, 140 Camden High Street, London NW1 0NG
Solicitors	RadcliffesLeBrasseur, 5 Great College Street, Westminster, London, SW1P 3SJ Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA

Aims & objectives

What we aim to do...

World ORT Trust exists to promote the advancement of education and vocational training and the relief of poverty among all persons wherever situated

More specifically, it exists to provide and advance public education and training to help raise education and training standards

The way we do it...

We provide, mainly to young people, practical and vocational training or study programmes so that the recipients are able to benefit their communities and assist them in maintaining themselves as independent individuals

This is done by providing the training facilities, physical or on the world wide web, together with a curriculum so that people can acquire and develop vocational skills

The Charity makes grants to World ORT, a Swiss registered charity and the owner of World ORT Trust, so that it can carry out education and training projects worldwide

World ORT combines the funds raised in the United Kingdom with funds raised elsewhere in the world. Where possible World ORT involves the local state authorities and also local individuals

World ORT performs some of the curriculum development in the United Kingdom. This has included internet resources in the teaching of English as a second language, technology courses and Holocaust studies. It also co-ordinates some projects from the UK.

Further details of World ORT's activities are on their website

[http //www.ort.org](http://www.ort.org)

Report of the trustees for the year ended 31 December 2007**Governing document**

World ORT Trust, "the Charity", is a charitable company limited by guarantee and incorporated as a company. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Structure

World ORT Trust is part of a global movement to relieve poverty through education and vocational training. The ultimate parent entity is World ORT, a charity registered in Switzerland. The Charity collects funds from various donors including British ORT, a separately registered and controlled charity. World ORT Trust grants World ORT funds for the purposes of fulfilling the Charity's objectives.

The trustees delegate to senior management according to the nature of the activity.

Restricted funds Management transmits these to World ORT with the same instructions as the terms of the individual donation.

Unrestricted funds Management grants these funds to World ORT in line with the annual plan.

Activities for raising funds Management agrees with the trustees the excess space available for renting for other charitable purposes. Individual tenant contracts are authorised by the trustees prior to letting.

The processing of the funds is performed by World ORT staff without remuneration from World ORT Trust. However, World ORT Trust bears the costs of the defined benefit scheme for all current and former staff.

The 4 employees referred to in note 8 are mainly concerned with the letting activity.

Governance

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law, and throughout this report are collectively referred to as the trustees.

The trustees during the year were:

Harold Ivor Connick
Mauricio Merkanskas
Mark Simon Mishon
Robert Sill
Peter Sussman

Additional or replacement trustees can be appointed by the existing trustees, with nominations being put forward by World ORT. New trustees are given a personal induction by another trustee, a copy of the Charity's Articles of Association, an outline of their responsibilities and a list of the information they will receive in order to fulfil those responsibilities.

A third party indemnity provision is in force for the benefit of each of the trustees and officers.

The Charity's other advisers are set out on the previous page.

World ORT

World ORT Trust is wholly owned by World ORT which is a charity registered in Switzerland. World ORT has several offices around the world. The World ORT staff who are employed in London are based in ORT House for which World ORT pays World ORT Trust rent.

Trustees of World ORT Trust may also be trustees of World ORT. Where this is the case then this is noted on the list of trustees on page 2. No trustee receives any remuneration for their duties in either organisation.

The Chief Executive of World ORT Trust is the Director General of World ORT. The Chief Financial Officer of World ORT Trust is also the Chief Financial Officer of World ORT. Neither individual receives any remuneration for their duties in relation to World ORT Trust.

Funds raised by World ORT Trust not required in the running of the charity is granted to World ORT. The nature of these grants, whether restricted or unrestricted, is determined by the donors. The proportion of World ORT's revenue donated by World ORT Trust is less than 10%.

British ORT

British ORT is an autonomous charity registered in England. British ORT raises funds from a variety of sources. British ORT's office staff are based in ORT House for which they pay rent to World ORT Trust. World ORT Trust is a major beneficiary of British ORT's fundraising. In turn, the majority of World ORT Trust's voluntary income is from British ORT.

Trustees of World ORT Trust may also be trustees of British ORT. Where this is the case then this is noted on the list of trustees on page 2. No trustee receives any remuneration for their duties in either organisation.

There is no shared management between the two charities.

Report and financial statements for the year ended 31 December 2007

Report of the trustees for the year ended 31 December 2007 (continued)

Investment Policy

The trustees have unlimited powers of investment. The trustees' investment policy is to invest in the freehold land and building in London which is part-occupied by the Trust's head office with the remainder let to tenants. The returns from this policy is the saving on rent payments and the rental stream from tenants including the space occupied by World ORT.

Risk Management

The trustees examine the major risks that the charity faces each financial year when preparing and updating the strategic plan. The major risks identified are (1) Not being able to let the excess space in ORT House, (2) the reliance on British ORT for a large proportion of the voluntary income and (3) the defined benefit pension scheme.

- 1 The risk of not letting space in ORT House is managed by
 - 1.1 Maintaining the building to a commercially attractive standard
 - 1.2 A large space is occupied with a conferencing activity which has a diverse set of customers in the public and charity sectors
 - 1.3 Dividing the rest of the excess space into smaller units to achieve a diversity of tenants

Rental and licence fee revenue

	Number of tenants		
	Actual 2007	Plan 2008	Plan 2009
under \$50,000 per annum	7	7	6
\$51,000 - \$100,000 per annum	-	-	1
\$100,000 - \$200,000 per annum	3	2	1
over \$200,000 per annum	1	2	2
Total number of tenants	11	11	10

- 2 British ORT contributed 70% of voluntary income in 2007 and the trustees expect them to represent the same proportion in 2008 and 2009. The risk posed by having a concentration of voluntary income from British ORT is managed as follows
 - 2.1 World ORT Trust has direct access to certain major British donors in agreement with British ORT
 - 2.2 British ORT has a diverse fundraising base from major individuals and family trusts to many individual small donors
 - 2.3 The trustees believe that World ORT Trust will continue to attract funds from British ORT for the foreseeable future
- 3 The financial deficit of the defined benefit pension scheme of \$648,000 is set out in note 14. The actuaries have advised the trustees of a recovery plan which has been put into effect. This commits the Charity to making special payments of about \$50,000 each year for 9 years to the pension fund. The trustees closed the scheme to new members in 1999. It had 8 active members at the end of 2007. This will drop to 5 active members at the end of 2008, to 4 active members in 2009 and to 3 in 2010.

Objectives and activities

The objectives of the Charity and an overview of how it achieves them are set out on page 3. For 2007 the fundraising objectives were the Latin America schools, Jewish Community Centres in the CIS, and "Science Journey" computers for disadvantaged schools in Israel. There was also support for the educational seminars held in London and to support the web-site publishing. Web-site publishing includes general education, such as English as a second language, and also Jewish cultural heritage.

A list of the work done in the restricted projects is given in note 5.

Further details of the work of World ORT is contained in the World ORT Report which can be obtained by going to the World ORT website and choosing the option to look at Media and then Reports. The World ORT website is at

<http://www.ort.org>

Financial review

During the year the income of the Charity was US\$ 3,732,000 (2006 - US\$ 3,342,000) of which voluntary giving was US\$2,427,000 (2006 - US\$ 2,138,000).

This allowed the Charity to make charitable grants totalling US\$ 2,301,000 (2006 - US\$ 2,548,000).

The main reason for the reduction in charitable grants were timing differences causing a surplus of US\$ 285,000 in 2007 following a deficit of US\$ 190,000 in 2006.

The total expenditure on charitable activities as a proportion of income (excluding activities for generating funds and the defined benefit scheme) was 92 % (2006 94%).

Report and financial statements for the year ended 31 December 2007

Report of the trustees for the year ended 31 December 2007 (continued)

Fixed assets

World ORT Trusts owns the freehold to its head office, ORT House

Movements on fixed assets are set out in note 9 to the financial statements. The trustees are of the opinion that the market value of freehold land and buildings is at least equal to the value shown in these financial statements

Achievements and performance

Each year management prepare a financial plan. The basis of the plan is outline agreements with grant-making bodies and pledges already received and estimated income from other sources. The resources to be expended on these activities are budgeted. The Charity then grants funds to World ORT to run the projects in various countries. In 2007, the Charity achieved grants to World ORT of US\$2.2 million compared with US\$2.4 million in 2006.

Substantial funds were raised for Latin America where work has started on a new Media Centre in Mexico. All the seminars planned for the year took place. The web sites have been fully supported with enough funds to continue at least through 2008. Further fundraising is planned to support the web sites beyond this time.

A list of the fundraising the restricted projects is given in note 5.

A table of the resources expended can be found in note 3.

The trustees were pleased with the year's income and level of activities.

Future plans

The objectives for 2008 feature a campaign to fund media centres and other technology resources for schools in Latin America and to continue to fund the educational seminars and the web-site publishing. In 2009 the focal points will be fundraising for the building of a new block for the school in Buenos Aires, Argentina and fundraising to continue support for the school in Kazan, Russia.

The Charity plans small deficits in 2008 and 2009 to reduce the free reserves in line with the reserves policy.

Reserves Policy

World ORT Trust's policy is to retain free reserves to an amount equalling at least one year's expenditure. This is to ensure continuity for charitable programs in the event of a sudden decrease in donations.

The level of expenditure in 2007 was US\$ 2,296,041. The present level of free reserves available for World ORT Trust is US\$ 3,089,192. The higher level is mainly due to timing differences on the granting of funds.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the annual general meeting.

Trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with 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 charity's incoming resources and application of resources during the year and of its state of affairs at the end of the year. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The responsibilities of the trustees include keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

In accordance with company law as the company's directors we certify that

So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and as the directors for the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

For and on behalf of the Trustees


Peter Sussman

Trustee

Date 30/10/08

Independent auditor's report to the members of World ORT Trust

We have audited the charitable company's financial statements for the year ended 31 December 2007 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, Balance Sheet, Cash Flow Statement, Statement of Changes in Charitable Funds and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees' (who are also the directors of World ORT Trust for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements.

We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charitable company as at 31 December 2007 and its incoming resources and application of resources including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

ERNST & YOUNG LLP
Registered Auditor
London

Ernst & Young LLP

Date *30/10/08*

Statement of Financial Activities for the year ended 31 December 2007
 (including the Income & Expenditure account)

	Note	Unrestricted Funds US\$	Restricted funds US\$	2007 Total US\$	2006 Total US\$
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2a	1,276,675	1,150,425	2,427,100	2,137,865
Activities for generating funds	2b	1,286,340	-	1,286,340	1,193,856
Investment income	2c	18,384	-	18,384	9,867
Total incoming resources		2,581,399	1,150,425	3,731,824	3,341,588
Resources expended					
Costs of generating funds					
Cost of generating voluntary income	3	144,608	-	144,608	113,953
Cost of activities for generating funds	3	958,345	-	958,345	825,244
Charitable activities	3	1,150,311	1,150,425	2,300,736	2,547,723
Governance costs	3	42,777	-	42,777	44,313
Total resources expended		2,296,041	1,150,425	3,446,466	3,531,233
Net incoming/(outgoing) resources before other recognised gains/losses		285,358	-	285,358	(189,645)
Other recognised gains/losses					
Actuarial gain/(loss) on defined benefit pension scheme		291,000	-	291,000	(225,914)
Net movement in funds		576,358	-	576,358	(415,559)

A reconciliation of charitable funds is provided on page 12

The notes on pages 13 to 20 form part of these financial statements

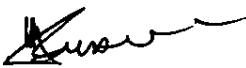
Balance sheet as at 31 December 2007

	Note	2007 US\$	2006 US\$
Fixed assets			
Tangible assets	9	3,631,914	3,700,319
Current assets			
Debtors	10	374,582	341,611
Cash at bank and in hand		623,052	634,349
		<u>997,634</u>	<u>975,960</u>
Creditors amounts falling due within one year	11	(1,342,557)	(1,822,514)
Net current liabilities		<u>(344,923)</u>	<u>(846,554)</u>
Total assets less current liabilities		<u>3,286,991</u>	<u>2,853,765</u>
Provisions for liabilities and charges	12	(34,313)	(56,445)
Net assets excluding pension liabilities		<u>3,252,678</u>	<u>2,797,320</u>
Defined benefit pension scheme liability	14	(648,000)	(769,000)
Net assets including pension liability		<u><u>2,604,678</u></u>	<u><u>2,028,320</u></u>
 <u>Charitable funds.</u>			
Unrestricted funds			
General reserves		3,089,192	2,633,834
Designated fund - future pension costs		163,486	163,486
Unrestricted funds excluding pension reserves		<u>3,252,678</u>	<u>2,797,320</u>
Pension reserves		(648,000)	(769,000)
Total Charitable funds		<u><u>2,604,678</u></u>	<u><u>2,028,320</u></u>

The notes on pages 13 to 20 form part of these financial statements

Approved by the Board of Trustees on

and signed on its behalf by


Peter Sussman
Trustee

Cash flow statement for the year ended 31 December 2007

	Note	2007 US\$	2006 US\$
Cash Flow Statement			
Net cash (outflow)/inflow from operating activities	16	(4,989)	514,546
Returns on investment and servicing of finance	16	18,384	9,867
Capital expenditure and financial investment	16	<u>(24,692)</u>	<u>(25,899)</u>
(Decrease)/increase in cash		<u>(11,297)</u>	<u>498,514</u>

Reconciliation of net cash flow to movements in net cash:

(Decrease)/increase in cash	(11,297)	498,514
Net cash at 1 January	<u>634,349</u>	<u>135,835</u>
Net cash at 31 December	<u><u>623,052</u></u>	<u><u>634,349</u></u>

The notes on pages 13 to 20 form part of these financial statements

Statement of Changes in Charitable Funds as at 31 December 2007

<u>Unrestricted Funds</u>					
	Note	General reserves US\$	Defined benefit pension scheme US\$	Designated future pension costs US\$	Total charitable funds US\$
At 1 January 2006		2,701,479	(421,086)	163,486	2,443,879
Defined benefit pension scheme					
- actuarial loss	14	-	(152,000)	-	(152,000)
- foreign exchange translation loss	14	-	(73,914)	-	(73,914)
Deficit for the year 2006		(67,645)	(122,000)	-	(189,645)
Net movement for the year 2006		(67,645)	(347,914)	-	(415,559)
At 1 January 2007		2,633,834	(769,000)	163,486	2,028,320
Defined benefit pension scheme					
- actuarial gain	14		306,000	-	306,000
- foreign exchange translation loss	14		(15,000)	-	(15,000)
Surplus/(deficit) for the year 2007		455,358	(170,000)	-	285,358
Net movement for the year 2007		455,358	121,000	-	576,358
At 31 December 2007		3,089,192	(648,000)	163,486	2,604,678

The notes on pages 13 to 20 form part of these financial statements

1 Accounting policies**Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and are in accordance with applicable accounting standards and the Statement of Recommended Practice - Accounting and Reporting by Charities', published in March 2005 and the Companies Act 1985. The financial statements are presented in US\$ as this is the operating currency of the World ORT group.

Company status

The Charity is a company limited by guarantee. The member of the company is World ORT. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The following principal accounting policies have been applied:**Income**

Grants and donations are recognised when they become receivable.
Rental income is recognised on the accrual basis.
Investment income, which is bank interest, is recognised on the accrual basis.

Designated funds

Designated funds are amounts which have been set aside at the discretion of the trustees for a specific but not legally binding purpose.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of staff and overhead costs.

Tangible fixed assets

Property, fixture and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes amounts directly attributable to making the asset capable of operating as intended. Items costing less than \$1,000 are not capitalised, except in the case of trackable computer equipment.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Freehold buildings	2% per annum on cost
Building improvements	10% per annum on cost
Fixtures and equipment	20% per annum on cost
Computer equipment	33 33% per annum on cost

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. If, any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Foreign currency

Foreign currency transactions, excluding pensions, are translated at the rates ruling at the date of the transaction. Foreign currency monetary assets and liabilities, excluding pensions, are retranslated at the rates ruling at the balance sheet dates. Any differences are taken to the statement of financial activities.

1 Accounting policies (continued)

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. The expenditure includes VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the Charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in note 3 'Resources expended'.

Operating leases

Rentals payable under operating leases are included as resources expended on a straight line basis over the term of the lease.

Pensions

- The charity operates a defined contribution pension scheme. The scheme was started in 2001 and is open to all employees who have been in employment with World ORT for at least 3 months. The assets of the scheme are held separately from those of the Charity. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.
- The Charity also operates a defined benefits scheme which was established on 14 February 1974 and was closed to new members with effect from 1 November 1999. Scheme assets are measured at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at an interest rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Full actuarial valuations are obtained at least every three years and are updated at each balance sheet date. The resulting surplus or deficit, net of taxation thereon, is presented separately above the total for net assets on the face of the balance sheet.

The amounts charged in resources expended are the current service costs of providing pension benefits to employees for the year and gains and losses on settlements and curtailments. They are included within management and administration costs. The cost of making improvements to pension benefits is charged to resources expended on a straight-line basis over the period during which the increase in benefits vests. To the extent that the improvement in benefits vests immediately, the cost is recognised immediately.

A charge representing the unwinding of the discount on the scheme liabilities during the year is included in other finance costs in note 12. A credit representing the expected return on the scheme assets during the year is included within other finance income. This credit is based on the market value of the scheme assets, and expected rates of return, at the beginning of the year.

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

Notes to the financial statements for the year ended 31 December 2007

2 Incoming resources	2007 Unrestricted US\$	2007 Restricted US\$	2007 Total US\$	2006 Total US\$
a Voluntary income				
Grants	1,276,675	1,150,425	2,427,100	1,218,887
Public donations & appeals	-	-	-	918,978
	<u>1,276,675</u>	<u>1,150,425</u>	<u>2,427,100</u>	<u>2,137,865</u>

Grant income comes from British ORT, independent organisations and certain individual donors who are based in the United Kingdom

b Activities for generating funds	2007 US\$	2006 US\$
Letting of property	1,286,340	1,188,553
Event revenue	-	5,303
	<u>1,286,340</u>	<u>1,193,856</u>

c Investment income	2007 US\$	2006 US\$
Bank deposit interest unrestricted	18,384	9,867

3 Resources expended

	Basis of allocation	Voluntary income US\$	Letting activity US\$	Restricted Grants US\$	Unrestricted Grants US\$	Education & Training US\$	Governance US\$	2007 Total US\$	2006 Total US\$
Costs directly allocated to activities									
Grants	Direct	-	-	1,150,425	1,000,000	-	-	2,150,425	2,440,489
Events & meetings	Direct	-	-	-	-	-	26	26	3,637
Letting activity	Direct	-	612,190	-	-	-	-	612,190	609,255
Education office	Direct	-	-	-	-	61,431	-	61,431	41,115
Audit fees	Direct	-	-	-	-	-	12,270	12,270	19,569
Interest paid	Direct	-	-	-	-	-	-	-	-

Support costs allocated to activities

Fundraising office	Staff time	96,031	-	-	27,437	13,719	-	137,187	129,220
Central costs	Floor area	23,345	179,758	-	11,673	11,673	7,003	233,452	126,452
Finance office	Staff time	6,273	43,911	-	3,137	3,137	6,272	62,730	47,031
Legal & professional	Staff time	-	-	-	-	-	-	-	14,104
Defined benefit pension scheme net expense	Staff time	17,000	119,000	-	8,500	8,500	17,000	170,000	122,000
Exchange loss/(gain)	Support costs	1,959	3,486	-	659	445	206	6,755	(21,639)
		<u>144,608</u>	<u>958,345</u>	<u>1,150,425</u>	<u>1,051,406</u>	<u>98,905</u>	<u>42,777</u>	<u>3,446,466</u>	<u>3,531,233</u>

4 Net incoming resources for the year is after charging the following.	2007 US\$	2006 US\$
Depreciation	93,096	86,132
Auditors' remuneration - audit services	12,270	19,569
Exchange (loss)/gain	(30,067)	121,498
Operating lease rentals - land and buildings	54,578	50,535

5 Restricted funds

All restricted funds received were granted to World ORT in the year. The following were the restricted funds received and granted with the largest financial activities

<u>Activity</u>	<u>US\$</u>	<u>Region</u>
Latin America schools	245,098	Latin America
Jewish community centres IT equipment	225,000	CIS
Teachers of technology seminar	40,000	Teachers from worldwide
Kazan, Russia school regeneration	71,250	CIS
Learning music during the Holocaust	70,885	Students worldwide
Zaparoje, Ukraine school regeneration	67,500	CIS
Riga, Latvia school regeneration	51,122	Baltic
"Science Journey" computers for schools	50,000	Israel
E-learning & e-teaching seminar	50,000	Teachers from worldwide
Odessa, Ukraine school regeneration	50,000	CIS
Samara, Russia school regeneration	50,000	CIS
History of ORT at DP camps	46,000	Students worldwide
Other funds	133,570	Various
	<u>1,150,425</u>	

6 Unrestricted funds

Voluntary income at \$1.3 million (2006 \$1.0 million) derived mainly from British ORT

Unrestricted grants of \$1.0 million (2006 \$1.3 million) were made to World ORT

The grants decreased because of the timing of grants between 2006 and 2007. This is reflected in the deficit in 2006 and the surplus for 2007.

7 Trustees' (Directors') emoluments and reimbursed expenses

No trustee received any remuneration or expenses during the year from World ORT Trust (2006 US\$ nil)

Indemnity insurance is provided for trustees. The premium paid during the year was \$4,777 (2006 \$4,990)

8 Staff costs and emoluments

	2007	2006
	US\$	US\$
Wages and salaries	149,604	152,894
Social security costs	13,497	14,557
Pension costs - defined benefit (see note 14)	170,000	122,000
Medical costs	7,916	1,776
	<u>341,017</u>	<u>291,227</u>

No employee had emoluments exceeding £60,000

Average monthly number of employees during the year:

	2007	2006
	Number	Number
Full time	<u>4</u>	<u>4</u>
Staff activities		
Administration	1	1
Tenant & building support	3	3

9 Fixed Assets

Cost	Freehold land & building US\$	Freehold Building improve- ments US\$	Fixtures & equipment US\$	2007 Total US\$
At 1 January 2007	3,542,386	137,328	380,737	4,060,451
Additions at cost	-	-	24,692	24,692
Disposals	-	(59,343)	(1,863)	(61,206)
At 31 December 2007	3,542,386	77,985	403,566	4,023,937
Depreciation				
At 1 January 2007	42,509	106,134	211,490	360,133
Charge for year	7,084	7,798	78,214	93,096
Disposals	-	(59,343)	(1,863)	(61,206)
At 31 December 2007	49,593	54,589	287,841	392,023
Net book value				
At 31 December 2007	3,492,793	23,396	115,725	3,631,914
At 31 December 2006	3,499,877	31,194	169,247	3,700,318

The freehold land and building is ORT House, the head office of the Charity

10 Debtors

	2007 US\$	2006 US\$
Trade debtors	137,385	117,549
Prepayments	237,197	223,571
Affiliated ORT organisations	-	491
	<u>374,582</u>	<u>341,611</u>

Affiliated ORT organisations are not related parties as defined by Financial Reporting Standard 8 "Related Party Transactions"

11 Creditors amounts falling due within one year

	2007 US\$	2006 US\$
Trade creditors	38,300	46,136
Amounts owed to parent undertaking	1,000,000	1,569,600
Other creditors	81,187	13,946
Taxation and social security	86,133	73,494
Advances on projects	92,098	95,872
Accruals	43,185	23,466
Affiliated ORT organisations	1,654	-
	<u>1,342,557</u>	<u>1,822,514</u>

12 Provision for liabilities and charges

	2007 US\$	2006 US\$
At 1 January	56,445	64,607
Provided in the year	22,133	8,867
Release in the year	(44,265)	(17,029)
At 31 December	<u>34,313</u>	<u>56,445</u>

The provision relates to an onerous property lease which terminates on 22nd June 2009

13 Designated fund - future pension costs

Apportionments of US\$160,000 in 2002 and US\$3,486 in 2005 were made from the Unrestricted Fund to a designated fund for future pension costs. This fund will be used to partly meet the future cost of funding the Charity's defined benefit pension scheme deficit.

14 Employee retirement benefits

World ORT Trust operates the following pension plans

The Defined Contribution Pension Scheme

Employees not in the defined benefit pension scheme are eligible to join the defined contribution pension scheme after three months service. The assets of the scheme are held separately from those of World ORT Trust in an independently administered fund. World ORT Trust contributes up to 11% (mainly 5%). All members of this scheme in 2007 were recharged to World ORT.

The Defined Benefit Pension Scheme

The subsidiary also operates a defined benefit scheme known as the ORT Retirement Benefit Plan which is administered by a third party. The scheme closed to new entrants in 1999. The assets of the scheme are held separately to those of the charity.

The subsidiary suspended employer contributions to the scheme from 1 January 2004. This suspension is expected to continue until reviewed following the next valuation due 31 December 2007. Contributory members pay their employee contributions at the rate of 7% of pensionable salary. The employer makes a special payment for the contributions of the non-contributory members at the same rate.

Membership of the Defined Benefit Pension Scheme	2007	2006
Active members at 31 December	8	8
Preserved & deferred members at 31 December	53	53

Six of the scheme's eight active members are employed by World ORT. Their pension contributions are dealt with by a recharge from World ORT Trust to World ORT.

Principal assumptions

The principal assumptions used in determining pension benefit obligations for the defined benefit pension plan

	2007	2006	2005
Inflation assumption	3.50%	3.20%	3.00%
Rate of increases in salaries	4.50%	4.20%	4.00%
Discount rate	5.80%	5.10%	4.75%
Dynamic pension escalation	2.47%	1.78%	1.75%
RPI pension escalation	3.40%	3.20%	3.00%
Revaluation rate for deferred pensioners	3.50%	3.20%	3.00%
Allowance for commutation for cash at Retirement	nil	nil	nil

Notes to the financial statements for the year ended 31 December 2007

14 Employee retirement benefits (continued)

The following tables summarise the components of net benefit expense and actuarial loss recognised in the Statement of Activities and the scheme deficit recognised in the Balance Sheet

	2007 US\$	2006 US\$
<i>Net benefit expense</i>		
Current service cost	(104,000)	(122,000)
Interest cost on benefit obligation	(196,000)	(163,000)
Expected return on plan assets	120,000	139,000
Contributions	10,000	24,000
Net benefit expense	(170,000)	(122,000)
Actual return on plan assets	98,000	70,000

	2007 US\$	2006 US\$
<i>Scheme assets and expectation of return</i>		
Present value of scheme's liabilities	(3,752,000)	(3,698,000)
Fair value of scheme's assets	3,104,000	2,929,000
Net pension liability	(648,000)	(769,000)

	2007 US\$	2006 US\$
<i>The movement in the scheme deficit consists of</i>		
Deficit at the beginning of the year	(769,000)	(421,086)
Net benefit expense	(170,000)	(122,000)
Actuarial gain/(loss)	306,000	(152,000)
Exchange adjustment	(15,000)	(73,914)
Deficit at the end of the year	(648,000)	(769,000)

	2007 US\$000	2006 US\$000	2005 US\$000	2004 US\$000
History of experience gains & losses				
Difference between expected & actual return on scheme assets				
Amount	22	(69)	(43)	(77)
Percentage of scheme assets	(1%)	(2.5%)	(1.5%)	(2.7%)
Experience gains and losses on scheme liabilities				
Amount	106	63	9	(19)
Percentage of scheme liabilities	2%	1.8%	(0.2%)	0.7%
Effects of changes in the demographic & financial assumptions underlying the present value of the scheme liabilities				
Amount	222	(146)	(241)	(94)
Percentage of the present value of the scheme liabilities	5%	(4.2%)	(7.2%)	(3.2%)
Total actuarial loss				
Amount	350	(152)	(276)	(189)
Percentage of the present value of the scheme liabilities	8%	(4.3%)	(8.2%)	(6.5%)

Notes to the financial statements for the year ended 31 December 2007

15 Commitments under operating leases

As at 31 December the Charity had annual commitments under non-cancellable operating leases as set out below

	Land and buildings US\$	Other US\$	2007 Total US\$	2006 Total US\$
Operating leases which expire in one year	54,578	-	54,578	50,535

16 Notes to the cash flow statement

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

	2007 US\$	2006 US\$
Operating activities		
Net incoming resources excluding defined benefit plan	285,358	(189,645)
Financing included in net incoming resources	(18,384)	(9,867)
Defined benefit scheme net expense	170,000	122,000
Depreciation	93,096	86,132
(Increase)/decrease in debtors	(32,971)	62,228
(Decrease)/increase in creditors	(479,956)	451,860
Decrease in provisions	(22,132)	(8,162)
Net cash (outflow)/inflow from operating activities	(4,989)	514,546

	2007 US\$	2006 US\$
Returns on investment and servicing of finance		
Interest received	18,384	9,867

	2007 US\$	2006 US\$
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(24,692)	(25,899)

17 Currency

The currency used in the preparation of the accounts of World ORT Trust is the United States Dollar because this is the operating currency of the World ORT group. The average of the rates of exchange used during the year were as follows

2007	2006
£ 0.5/US\$	£ 0.54/US\$

18 Related party transactions

As the charity is a wholly owned subsidiary of an entity whose consolidated financial statements are publicly available it is not required to disclose transactions with other group undertakings that would otherwise be required under Financial Reporting Standard No. 8 "Related Party Disclosures"

During the year certain trustees donated US\$34,500 to the charity. In addition, officers of the parent donated US\$541,644 to World ORT.

19 Ultimate parent undertaking

The ultimate parent undertaking is World ORT which is a charity registered in Switzerland.