

**Company number: 2967916**

**Charity number: 1042541**

## **World ORT Trust**

**Report and Financial Statements  
(a company limited by guarantee)**

**Year ended 31 December 2016**

FRIDAY



\*A6EILEJK\*

A23

08/09/2017

#253

COMPANIES HOUSE

---

**Contents**

Page	
1	Trustees and other information
2-7	Report of the trustees
8-9	Independent Auditors' Report
10	Statement of financial activities
11	Balance sheet
12	Cash flow statement
13-21	Notes forming part of the financial statements

---

**Trustees and other information****Registered name**

World ORT Trust, "the Charity", is registered with the Charity Commission. It is a company limited by guarantee.

Company number: 2967916

Charity number: 1042541

**Registered office and operational address:**

ORT House, 126 Albert Street, London, NW1 7NE.

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.

**Trustees and Directors**

Peter Alexander Sussman	Chairman
Anthony Brittan	(appointed from 24 November 2016)
Richard Hatter	
Lady Irene Hatter	
Graham Edwards	(resigned on 3 July 2017)
Theresea Feldman	(resigned on 24 November 2016)
Maurico Merikanskas	(resigned on 24 November 2016)

**Secretary**

Stephen West

**Senior Management Team**

Director General and CEO	Dan Green
Chief Financial Officer	Stephen West

**Auditors**

Blick Rothenberg Audit LLP, 16 Great Queen Street, Covent Garden, London, WC2B 5AH

**Bankers**

Lloyds Bank PLC, 140 Camden High Street, London NW1 0NG.

---

## **Report of the trustees for the year ended 31 December 2016**

### **What we aim to do...**

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

The Charity performs some curriculum development and project co-ordination in the United Kingdom for World ORT. The Charity lets out space in its London office which is surplus to operational requirements to not-for-profit organisations. The surplus is donated to World ORT.

### **Charity constitution**

The Charity is constituted under a Memorandum of Association dated 14 September 1994 and is a registered charity number 1042541. The Charity is a charitable company limited by guarantee and registered in England and Wales with company number 2967916.

### **Charity objects**

(1) to promote the advancement of education and vocational training for the public benefit in particular but not exclusively amongst persons practising or adhering to the Jewish religion.

(2) to promote the advancement of education for the public benefit concerning Jewish culture, history, traditions, religion and language in particular but not exclusively amongst persons practising or adhering to the Jewish religion.

(3) to relieve poverty and sickness and to preserve and protect health through the provision of mother and child care facilities and health education.

The ultimate parent entity is World ORT, a charity registered in Switzerland. World ORT collects funds from other organisations with similar educational objectives to World Ort Trust. Being part of a global organisation benefits the Charity by lowering the cost of delivery to beneficiaries.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning for the future and in setting the grant making policy for the year.

### **Governance**

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

The Memorandum and Articles of Association states that the number of trustees shall not be less than three but shall not be subject to any maximum.

Additional or replacement trustees can be appointed by the existing trustees. New trustees are given an induction by other trustees, an outline of their responsibilities and a list of the information they will receive in order to fulfil those responsibilities.

The methods used to appoint trustees are mainly utilising the contacts of existing trustees and, occasionally to advertise in UK Jewish media.

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 page 1.

---

**Report of the trustees for the year ended 31 December 2016 (continued)**

**Affiliate Organisations**

The charity is linked to ORT UK and World ORT through common aims and objectives. ORT UK is an autonomous charity registered in England and Wales. ORT UK raises funds from a variety of sources. ORT UK's office staff are based in ORT House for which it pays rent to World ORT Trust. World ORT Trust is also a major beneficiary of ORT UK's fundraising.

World ORT Trust is wholly owned by World ORT which is a charity registered in Switzerland. World ORT has several offices around the world. Those 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 ORT UK. Where this is the case then this is noted on the list of trustees on page 1. No trustee receives any remuneration for their duties in either organisation.

There is no shared management between the two charities.

**Management and organisation**

The day-to-day decisions of the Charity are taken by the Chief Executive and the Chief Financial Officer. These mainly involve the letting, maintenance and security of ORT House. Strategic decisions are taken by the trustees. These may involve the relationships with the ORT network, maintenance of ORT House and matters in connection with the Defined Benefit Pension Scheme.

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.

Each year management prepare a financial plan. The basis of the plan is the outline agreements with grant-making bodies and the pledges already received and estimated income from other sources. The resources to be expended on those activities are budgeted. The Charity then grants funds to World ORT to run the projects in various countries.

Restricted funds: Management transfers these to World ORT according to the instructions from the donor.

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 management prior to letting.

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

Funds raised by World ORT Trust not required in the running of the charity are 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%.

---

## Report of the trustees for the year ended 31 December 2016

### Strategic report

The Charity's trustees have given due consideration to the Charity Commission's guidance on the public benefit requirements under the Charity Act 2011.

The fundraising objectives of the Charity are set out on page 2 and fundraising methods on page 3. The Charity raises donations from certain UK donors in co-operation with, and also from, ORT UK. For 2016 the fundraising objectives were achieved.

Further details of the work of World ORT 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>

### Social investment

The Charity has a policy of not making social investments either in individuals or in schools. The beneficiaries of the Charity's work are overseas and the infrastructure required to control such investments are beyond the resources of the Charity.

### Financial review

During the year the income of the Charity was US\$ 2.3 million (2015 US\$ 2.2 million) of which voluntary giving was US\$1.3 million (2015 US\$ 1.2 million).

ORT UK donated US\$896,000 (2015: US\$623,000).

Revenue from trading activities was US\$1,001,000 (2015 US\$952,000)

This enabled the Charity to make charitable grants totalling US\$ 1.5 million (2015 - US\$ 1.3 million).

The Charity made a surplus before other recognised gains and losses of US\$ 212,000 in 2016 (US\$ 58,000 in 2015).

The total expenditure on charitable activities as a proportion of income (excluding activities for generating funds and the defined benefit scheme) was 91% (2015: 97%).

The valuation of the the defined benefit pension scheme at 31 December 2016 has a funding deficit of \$641,000. More details are given below, under risks, and in note 10.

### Reserves

The Charity's trustees have established a general reserves policy, to retain adequate general reserves to ensure continuity for charitable programs in the event of a sudden decrease in donations without retaining income for longer than required. This will meet the risks and uncertainties described below.

The present level of total reserves of the Charity are \$2,719,000 and the level free reserves available for the Charity is a deficit of US\$ 157,000.

The excess of the total reserves over free reserves is represented by the space in ORT House used for seminars and other educational activities.

The Charity plans to break even in future years to maintain the reserves in line with the reserves policy.

### Investments

The trustees have unlimited powers of investment. The trustees' have invested 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 rental stream from tenants covers the overheads on those elements of the building not occupied by World ORT.

---

**Report of the trustees for the year ended 31 December 2016 (continued)**

**Achievements and performance**

**Income summary**

Donations and legacies were \$1,290,000 (2015: \$1,184,000).

Letting activity income was \$1,001,000 (2015: \$952,000).

**Expenditure summary**

Expenditure on charitable activities was \$1,456,000 (2015: \$1,256,000).

Expenditure on letting activity was \$624,000 (2015: \$872,000).

**Net income for the year**

Net income before other gains and losses was \$212,000 (2015: \$58,000)

The trustees were pleased with the year's income and level of activities in the difficult economic climate.

The letting of excess space in ORT House is satisfactory with the Charity hosting 10 tenants. Further details can be seen under risks and uncertainties.

Revenue from the conferencing licensee was satisfactory.

The Defined Benefit Pension Scheme, which was closed to new members in 1999, has a deficit which the Charity continues to manage. Details can be seen in note 10 Employee Retirement Benefits.

**Restricted funds raised in year 2016**

All restricted funds received were granted to World ORT in the year. As an illustration, the following were the restricted funds received and granted, with the largest financial support detailed. The activities change from year to year, therefore comparatives are not supplied.

<u>Activity</u>	<u>US\$'000</u>	<u>Region</u>
Israel - Science Journey	175	Israel
Kishinev schools, Moldova	81	CIS
Learning music during the Holocaust	125	Students worldwide
Wingate Seminar	26	Students worldwide
Others	92	
	<u>455</u>	

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.

**Future plans**

The focal point for UK donors for 2017 will be fundraising for World ORT's "Israel Network of Schools" campaign in support of schools in the periphery of Israel and the STEM campaign in support of schools in Moscow and St Petersburg in Russia and Kiev in Ukraine.

The trustees will look at maintaining the occupancy levels and rental income stream from ORT House.

## Report of the trustees for the year ended 31 December 2016 (continued)

### Risks and uncertainties

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 ORT UK for a large proportion of the voluntary income and (3) the defined benefit pension scheme.

The risk of not letting space in ORT House is managed by:

- Maintaining the building to a commercially attractive standard.
- Certain areas of the property which are not rented to the tenants are utilised for conferences which have a diverse set of customers in the public and charity sectors.
- 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 2016	Plan 2017	Plan 2018
under \$50,000 per annum	9	9	9
\$51,000 - \$100,000 per annum	1	1	1
over \$100,000 per annum	-	-	-
Total number of tenants	10	10	10

ORT UK contributed 69% of donations in 2016 and the trustees expect them to represent a similar proportion in 2017 and 2018.

The risk posed by having a concentration of voluntary income from ORT UK is managed as follows:

- World ORT Trust has direct access to certain UK donors in agreement with ORT UK.
- ORT UK has a diverse fundraising base from major individuals and family trusts to many individual small donors.

The defined benefit pension scheme has a funding deficit of \$641,000. The deficit is being addressed by means of a recovery plan (see note 10).

The trustees closed the scheme to new members in 1999. It had three active members at the end of 2016. This will drop to one active member by the end of 2018. The last member is due to retire in 2028.

---

**Report of the trustees for the year ended 31 December 2016 (continued)**

**Fixed assets**

World ORT Trust owns the freehold to its head office, ORT House.

Movements on fixed assets are set out in note 7 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.

**Trustees' responsibilities**

The trustees (who are also directors of World Ort Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the profit or loss of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


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

**Disclosure of information to auditors**

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**For and on behalf of the Trustees**

  
Peter Alexander Sussman  
Trustee

Date: 31/8/2017



## **World ORT Trust**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF World ORT Trust FOR THE YEAR ENDED 31 DECEMBER 2016**

---

We have audited the financial statements of World ORT Trust for the year ended 31 December 2016 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards Standard including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit,

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

## World ORT Trust

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF World ORT Trust (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Mark Hart FCA CTA (senior statutory auditor)



for and on behalf of  
**Blick Rothenberg Audit LLP**

Statutory Auditor

16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

Date: 4 September 2017

**Statement of Financial Activities for the year ended 31 December 2016**  
(including the Income & Expenditure account)

	Note	Unrestricted Funds US\$'000	Restricted funds US\$'000	2016 Total US\$'000	2015 Total US\$'000
<b>Income</b>					
Donations and legacies	2a	835	455	1,290	1,184
Income from letting activity	2b	1,001	-	1,001	952
Investment	2b	1	-	1	50
<b>Income total</b>		<b>1,837</b>	<b>455</b>	<b>2,292</b>	<b>2,186</b>
<b>Expenditure</b>					
Charitable activities	6	1,001	455	1,456	1,256
Raising funds	6	624	-	624	872
<b>Expenditure total</b>		<b>1,625</b>	<b>455</b>	<b>2,080</b>	<b>2,128</b>
<b>Net income before other gains and losses</b>		<b>212</b>	<b>-</b>	<b>212</b>	<b>58</b>
<b>Other recognised gains and losses</b>					
Actuarial (loss)/gain on defined benefit pension scheme	10	(292)	-	(292)	90
<b>Net movement in funds</b>		<b>(80)</b>	<b>-</b>	<b>(80)</b>	<b>148</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 January		<b>2,799</b>	<b>-</b>	<b>2,799</b>	<b>2,651</b>
Total funds carried forward at 31 December		<b>2,719</b>	<b>-</b>	<b>2,719</b>	<b>2,799</b>

A statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial activities.

All income and expenditure is from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

**Balance Sheet as at 31 December 2016**

	Note	2016 US\$'000	2015 US\$'000
<b>Fixed assets</b>			
Tangible assets	7	3,517	3,563
<b>Current assets</b>			
Debtors	8	390	314
Cash at bank and in hand		241	364
		<u>631</u>	<u>678</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	(788)	(735)
Net current liabilities		<u>(157)</u>	<u>(57)</u>
<b>Total assets less current liabilities</b>		3,360	3,506
Defined benefit pension scheme liability	10	(641)	(707)
<b>Net assets including pension liability</b>		<u><u>2,719</u></u>	<u><u>2,799</u></u>
<b>Charity funds:</b>			
Unrestricted funds		3,360	3,506
Pension reserve		<u>(641)</u>	<u>(707)</u>
<b>Total charity funds</b>		<u><u>2,719</u></u>	<u><u>2,799</u></u>

The notes on pages 13 to 22 form part of these financial statements.

Approved by the Board of Trustees on *31 August 2017* and signed on its behalf by



Peter Alexander Sussman  
Trustee

**Cash Flow statement for the year ended 31 December 2016**

	Note	2016 US\$'000	2015 US\$'000
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	11	(122)	(114)
<b>Cash flows from investing activities:</b>			
Purchase of equipment	7	(1)	(109)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(123)</b>	<b>(223)</b>
Cash and cash equivalents at the beginning of the reporting period		364	587
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>241</b>	<b>364</b>

The notes on pages 13 to 22 form part of these financial statements.

---

**1 Accounting policies**

**a Basis of preparation**

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective from 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

World ORT Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**b Legal status of the Trust**

The Charity is a company limited by guarantee and is incorporated in England and Wales. 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 address of the registered office and principal place of business is 126 Albert Street, London, NW1 7NE.

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

**c Going concern**

At 31 December 2016 the Charity had net current liabilities of \$157,000 and total reserves of \$2,719,000. The Trustees consider that the Charity will continue to be able to meet its liabilities as they fall due because most of the operating costs are discretionary and rise and fall in line with revenue.

The Trustees consider that there is a reasonable expectation that World ORT Trust has adequate resources to continue in operational existence for the foreseeable future and, for this reason, the trustees continue to adopt the 'going concern' basis in preparing the accounts.

**d Income**

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

Revenue, including donations, is recognised in the period in which World ORT Trust is entitled to receipt and where the revenue can be reliably measured.

Grants are recognised when they become receivable; for instance when work is completed according to a prior agreement.

Revenue includes rental income, service charges and other recoveries from tenants of the charity's property. Rental income is recognised on the accrual basis in the period in which it is earned, in accordance with the terms of the lease.

Investment income, which is bank interest, is recognised on the accrual basis.

**e Expenditure and irrecoverable VAT**

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. Expenditure is classified under the following activity headings:

- 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.
- 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 'Resources expended'.

**1 Accounting policies (continued)**

**f Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purposes. Restricted funds are those donations which the donor has specified are to be solely used for a particular purpose. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of staff and overhead costs.

**g 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. Depreciation starts from the month of acquisition. the rates applied are as follows:

<b>Tangible fixed assets</b>	<b>Annual Rate</b>
Freehold buildings:	2% per annum on cost
Building improvements:	10% or 20% per annum on cost
Fixtures and equipment:	20% per annum on cost
Computer equipment:	33.33% per annum on cost

**h Financial instruments**

Financial assets and financial liabilities are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

**Financial assets**

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

**Financial liabilities**

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

**i Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term deposit in the deposit account.

---

**1 Accounting policies (continued)**

**j Foreign currency**

The functional currency of the Charity is GBP however the presentation currency is the US Dollar, because this is the operating currency of World ORT group.

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

**k 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 benefit pension 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 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. 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 net benefit cost in note 10. A credit representing the expected return on the scheme assets during the year is also included within net benefit cost. 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 in other recognised gains and losses

**l Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 1, the only key estimate made by the Trustees is:

**Retirement benefits**

Accounting for a defined benefit pension scheme and the value of liabilities is dependent on significant assumptions, including an assessment of the discount rate, price inflation and key demographic figures including life expectancy and mortality rates.

These accounting judgements are inherently complex and require a high level of management judgement and specialist input by an actuary in the calculation of the value of the liabilities.

The key assumptions are detailed in note 10.



2 Income	2016			2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>a Donations and legacies</b>						
Grants	-	287	287	-	445	445
Donations from ORT UK	728	168	896	569	54	623
Donations others	107	-	107	116	-	116
	<u>835</u>	<u>455</u>	<u>1,290</u>	<u>685</u>	<u>499</u>	<u>1,184</u>
<b>b Letting activity</b>			2016			2015
			US\$'000			US\$'000
Letting of property surplus to operational requirements			1,001			952
Sundry revenue			1			50
			<u>1,002</u>			<u>1,002</u>
<b>3 Trustees' (Directors') emoluments and reimbursed expenses</b>						
No trustee received remuneration, benefit in kind or reimbursement of expenses during the year (2015 Nil).						
<b>4 Staff costs and emoluments</b>			2016			2015
			US\$'000			US\$'000
Wages and salaries			100			121
Social security costs			8			10
Pension costs - defined benefit			177			198
Pension costs - defined contribution			12			9
			<u>297</u>			<u>338</u>
No employee had emoluments exceeding £60,000.						
<b>Average monthly number of employees during the year:</b>			2016			2015
			Number			Number
Full time			<u>3</u>			<u>3</u>
<b>Staff activities:</b>						
Administration			1			1
Tenant & building support			2			2
<b>5 Net incoming/(expenditure) for the year</b>						
<b>This is after charging the following:</b>			2016			2015
			US\$'000			US\$'000
Audit fees			13			(1)
Depreciation			47			52
Foreign exchange loss			75			(75)
<b>6 Expenditure</b>						
	Grants	Grants	Letting	2016	2015	
	Unrestricted	Restricted	Activity	Total	Total	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Grants	1,001	455	-	1,456	1,256	
<b>Support costs (all letting activity)</b>						
Salaries and related costs	-	-	108	108	131	
Defined benefit pension scheme net cost	-	-	(72)	(72)	288	
Defined contribution pension scheme costs	-	-	12	12	9	
Office & travel	-	-	19	19	25	
Building maintenance	-	-	379	379	396	
Legal and professional	-	-	43	43	47	
Audit fees	-	-	13	13	(1)	
Depreciation	-	-	47	47	52	
Foreign exchange loss	-	-	75	75	(75)	
	<u>1,001</u>	<u>455</u>	<u>624</u>	<u>2,080</u>	<u>2,128</u>	

**7 Fixed Assets**

	Freehold land & building US\$'000	Freehold Building improve- ments US\$'000	Fixtures & equipment US\$'000	2016 Total US\$'000
<b>Cost</b>				
At 1 January 2016	3,542	39	451	4,032
Additions at cost	-	-	1	1
Disposals	-	-	(184)	(184)
At 31 December 2016	<u>3,542</u>	<u>39</u>	<u>268</u>	<u>3,849</u>
<b>Depreciation</b>				
At 1 January 2016	(106)	(35)	(328)	(469)
Charge for year	(8)	(4)	(35)	(47)
Disposals	-	-	184	184
At 31 December 2016	<u>(114)</u>	<u>(39)</u>	<u>(179)</u>	<u>(332)</u>
<b>Net book value</b>				
At 31 December 2016	<u>3,428</u>	<u>-</u>	<u>89</u>	<u>3,517</u>
At 31 December 2015	<u>3,436</u>	<u>4</u>	<u>123</u>	<u>3,563</u>

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

**8 Debtors**

	2016 US\$'000	2015 US\$'000
Trade debtors	205	82
Prepayments	58	77
Affiliated ORT organisations	<u>127</u>	<u>155</u>
	<u>390</u>	<u>314</u>

Affiliated ORT organisations are not related parties as defined by FRS102 section 33 "Related Party Transactions".

**9 Creditors**

	2016 US\$'000	2015 US\$'000
Trade creditors	29	106
Amounts owed to parent undertaking	584	496
Other creditors	24	5
Taxation and social security	5	80
Accruals and deferred income	<u>146</u>	<u>48</u>
	<u>788</u>	<u>735</u>

**Deferred Income**

Deferred income at 1 January 2016	26
Resources deferred during the year	22
Amounts released from previous years	<u>(26)</u>
Deferred income at 31 December 2016	<u>22</u>

## 10 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 5% (mainly 3%). The Charity has one member of this scheme.

The cost of contributions to the defined contribution schemes amounted to \$12,000 (2015: \$9,000).

### *The Defined Benefit Pension Scheme*

World ORT Trust 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.

Based on the existing Schedule of Contributions the company expects to contribute \$108,108 plus 47.1% of the total Pensionable Salaries to The ORT Retirement Benefits Plan in the next accounting year.

The Valuation used has been based on the most recent actuarial valuation at 1 January 2016 and was updated by the actuary, Aviva, to take the account of the requirements of FRS102 in order to assess the liabilities of the scheme at December 2016. Scheme assets are stated at their market value at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

Membership of the Defined Benefit Pension Scheme	2016	2015
Active members at 31 December	3	3
Preserved & deferred members at 31 December 2016	27	39
One of the scheme's active members is employed by World ORT.		

### Principal assumptions

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

	2016	2015
Inflation assumption	3.3%	3.0%
Rate of increases in salaries	1.2%	1.2%
Discount rate	2.6%	3.7%
RPI pension escalation	2.5%	2.2%
Revaluation rate for deferred pensioners (CPI)	2.5%	2.2%
Allowance for commutation for cash at retirement	nil	nil

### Retirement

All members are assumed to reach their Normal Retirement Age.

### Demographic Assumptions

Assumed life expectancy in years, on retirement at 65	Dec-16	Dec-15
Retiring today		
Male	23.4	23.4
Female	25.8	25.7
Retiring in 20 years		
Male	25.6	25.4
Female	28	27.9

# 10 Employee retirement benefits (continued)

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

	2016	2015
	US\$'000	US\$'000
<i>The assets and liabilities of the scheme at 31 December</i>		
Fair value of plan assets	1,417	1,424
Present value of funded obligation	(2,058)	(2,131)
Net liability	(641)	(707)
<b>Present value of scheme obligations</b>	<b>2016</b>	<b>2015</b>
<b>Changes in the defined benefit obligation</b>	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	2,131	2,241
Current service cost	19	25
Interest on scheme liabilities	69	72
Actuarial gains and losses	389	(170)
Past service cost	-	246
Contributions by scheme members	5	8
Benefits paid	(159)	(191)
Exchange adjustment	(396)	(100)
At 31 December	(2,058)	2,131

## Fair value of plan assets - structure of assets

All the assets of the plan are held in the Aviva Life & Pensions UK Limited Provident Mutual Sub Fund (PMF)

	31 Dec	31 Dec
	2016	2015
	%	%
The asset allocation of the fund was as follows:		
UK shares	13	11
International shares	23	17
Property	7	6
UK fixed interest	24	28
Corporate bonds	30	35
International bonds	3	3
Cash and cash alternatives	-	-
	100	100

## Recognised in Statement of Financial Activities

	2016	2015
	US\$'000	US\$'000
Current service cost	(19)	(25)
Interest cost on benefit obligation	(69)	(72)
Expected return on plan assets	50	51
Past service cost	-	(246)
<b>Total recognised in Statement of Financial Activities</b>	<b>(38)</b>	<b>(292)</b>

## Taken to the Statement of Financial Activities in other gains and losses

	2016	2015
	US\$'000	US\$'000
Actual Return on scheme assets	147	(28)
Interest income	(50)	(51)
Less: expected return on scheme assets	-	-
	97	(79)
Other actuarial gains and losses	(389)	169
<b>Actuarial gain and losses recognised in the Statement of Financial Activities in other Gains and Losses</b>	<b>(292)</b>	<b>90</b>

No amounts (2015: \$nil) were included in the cost of assets.

**10 Employee retirement benefits (continued)**

	2016	2015
	US\$'000	US\$'000
<b>Changes in the fair value of plan assets</b>		
At 1 January	1,424	1,531
Expected return on plan assets	50	51
Actuarial gains and losses	97	(78)
Contributions by employer	273	177
Contributions by scheme members	7	8
Administration fee paid from scheme assets	(5)	(6)
Benefits paid	(159)	(191)
Exchange adjustment	(270)	(68)
At 31 December	1,417	1,424

*The movement in the scheme deficit consists of:*

	2016	2015
	US\$'000	US\$'000
Deficit at the beginning of the year	(707)	(709)
Actuarial gains through statement of changes in charitable funds	(292)	90
Contributions during the year	269	171
Net benefit cost	(38)	(292)
Exchange adjustment	127	33
Defined benefit pension scheme included income for the year	358	(88)
Deficit at the end of the year	(641)	(707)

	2016 US\$'000	2015 US\$'000
<b>11 Reconciliation of cash flows from operating activities</b>		
Net income for the reporting period (as per the statement of financial activities)	212	58
<b>Adjustments for:</b>		
Defined benefit pension scheme (loss)/gain	(358)	88
Adjustment to year 2015	-	2
Operating (loss)/gain for the year	(146)	148
Depreciation	47	52
Increase in debtors	(76)	(118)
Increase/(decrease) in creditors	53	(196)
<b>Net cash outflow from operating activities</b>	<b>(122)</b>	<b>(114)</b>
<b>Analysis of cash and cash equivalents</b>	<b>2016 US\$'000</b>	<b>2015 US\$'000</b>
Cash at bank and in hand	241	210
Cash on notice and short-term deposit	-	154
<b>Total cash and cash equivalents</b>	<b>241</b>	<b>364</b>

## 12 Related party transactions

The Charity has taken advantage of the exemption contained in FRS102 Section 33 "Related Party disclosures" from disclosing transactions with the entities which are a wholly owned part of the group. The Trustees of the Charity are considered to be key management personnel. Total remuneration in respect of these individuals is given in note 3.

Transaction with other related parties are detailed below

<b>Donations</b>	<b>2016 \$</b>	<b>2015 \$</b>
Mauricio Merikanskas (Trustee)	50,000	35,000
Jean de Gunzburg	32,323	-
Martin Behr	250	600
Conrad Giles (President of World ORT)	10,000	-
	<b>492,573</b>	<b>440,600</b>

## 13 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is World ORT which is a charity registered in Switzerland and its registration number is CH-6600148971-1.

The consolidated financial statements of World ORT, which include the results of World ORT Trust, are available to the public on website [www.ort.org](http://www.ort.org).

**14 Analysis of net assets between funds as at 31 December 2016**

	<b>General funds</b>	<b>Pension reserve</b>	<b>Total</b>
	US\$'000	US\$'000	US\$'000
Tangible fixed assets	3,517	-	3,517
Cash at bank and in hand	241	-	241
Other net current liabilities	(398)	-	(398)
Creditors of more than one year	-	(641)	(641)
<b>Total</b>	<b>3,360</b>	<b>(641)</b>	<b>2,719</b>

**Analysis of net assets between funds - previous year**

	<b>General funds</b>	<b>Pension reserve</b>	<b>Total</b>
	US\$'000	US\$'000	US\$'000
Tangible fixed assets	3,563	-	3,563
Cash at bank and in hand	364	-	364
Other net current liabilities	(421)	-	(421)
Creditors of more than one year	-	(707)	(707)
<b>Total</b>	<b>3,506</b>	<b>(707)</b>	<b>2,799</b>

**15 Financial instruments**

The carrying values of the charitable company's financial assets and liabilities are summarised by category below:

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>		
Measured at undiscounted amount receivable:		
Trade and other debtors	<u>332</u>	<u>237</u>
<b>Financial liabilities</b>		
Measured at undiscounted amount payable:		
Trade and other creditors	<u>53</u>	<u>111</u>
Amounts owed to group undertakings	<u>584</u>	<u>496</u>