

Company number: 2967916

Charity number: 1042541

World ORT Trust

Report and Financial Statements
(a company limited by guarantee)

Year ended 31 December 2013



Contents

Page	
1	Trustees and other information
2	Aims and objectives
3	Report of the trustees
6	Report of the auditors
7	Statement of financial activities
8	Balance sheet
9	Cash flow statement
10	Statement of changes in charitable funds
11	Notes forming part of the financial statements

The trustees of World ORT Trust present their annual report for the year ended 31 December 2013.

Trustees and Directors

Peter Sussman	Chairman
Theresa Feldman	
Mauricio Merikanskas	(also a trustee of World ORT)
Richard Hatter	
Lady Irene Hatter	
Graham Edwards	

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

Director General & CEO	Robert Singer	resigned as of 30 Apr 2013
Acting Director General & CEO	Sonia Gomes de Mesquita	from 1 May 2013 to 17 Nov 2013
Director General and CEO	Shmuel Sisso	appointed as of 18 Nov 2013
Chief Financial Officer	Stephen West	

Auditors

Ernst & Young LLP, 1 More London Place, London SE1 2AF.

Bankers

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

Solicitors

RadcliffesLeBrasseur, 5 Great College Street, Westminster, London, SW1P 3SJ.

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

World ORT Trust sponsored activities including the following areas:

Israel

CIS : Moldova, Russia and Ukraine

Baltic States : Lithuania

Educational seminars for students worldwide

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

<http://www.ort.org>

Report of the trustees for the year ended 31 December 2013

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 ORT UK, 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 four employees referred to in note 8 are mainly concerned with the letting activity.

The trustees have given due consideration to Charity Commission published guidance on the operation of the Public Benefit requirement.

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:

Peter Sussman	Chairman
Ivor Connick	resigned as of 10 June 2013
Theresa Feldman	
Mauricio Merikanskas	
Richard Hatter	
Lady Irene Hatter	appointed as of 10 June 2013
Graham Edwards	appointed as of 10 June 2013

Additional or replacement trustees can be appointed by the existing trustees, with nominations being put forward by World ORT. 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.

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.

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 1. 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%.

ORT UK

ORT UK is an autonomous charity registered in England. ORT UK raises funds from a variety of sources. ORT UK'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 ORT UK.

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.

Report of the trustees for the year ended 31 December 2013 (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 are 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 ORT UK 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.

<u>Rental and licence fee revenue</u>	<u>Number of tenants</u>		
	<u>Actual</u> <u>2013</u>	<u>Plan</u> <u>2014</u>	<u>Plan</u> <u>2015</u>
under \$50,000 per annum	7	7	7
\$51,000 - \$100,000 per annum	-	1	1
\$100,000 - \$200,000 per annum	1	1	1
over \$200,000 per annum	-	-	-
Total number of tenants	8	9	9

2 ORT UK contributed 51% of voluntary income in 2013 and the trustees expect them to represent a similar proportion in 2014 and 2015.

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

- 2.1 World ORT Trust has direct access to certain British donors in agreement with ORT UK.
- 2.2 ORT UK 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 ORT UK for the foreseeable future.

3 The financial deficit of the defined benefit pension scheme of \$697,000 is set out in note 12.

The trustees closed the scheme to new members in 1999. It had four active members at the end of 2013. This will drop to three active members by the end of 2014. The last member is due to retire in 2028.

Objectives and activities

The objectives of the Charity and an overview of how it achieves them are set out on page 2.

For 2013 the fundraising objectives were the "Science Journey" computers for disadvantaged schools in Israel, a new combined school in Kishinev, Moldova and support for schools in the CIS (former Soviet Union). 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 are 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\$ 1.8 million (2012 - US\$ 3.7 million) of which voluntary giving was US\$0.9 million (2012 - US\$ 2.8 million).

This enabled the Charity to make charitable grants totalling US\$ 0.8 million (2012 - US\$ 3.0 million).

The Charity made a surplus before other recognised gains and losses of US\$ 179,000 in 2013 following a deficit of US\$ 21,000 in 2012.

The total expenditure on charitable activities as a proportion of income (excluding activities for generating funds and the defined benefit scheme) was 94% (2012: 99%).

Report of the trustees for the year ended 31 December 2013 (continued)

Fixed assets

World ORT Trust 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 the outline agreements with grant-making bodies and the 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 2013, the Charity achieved grants to World ORT of US\$0.8 million compared with US\$3.0 million in 2012.

We continued to support all the schools to which we are committed. All the seminars planned for the year took place. The web sites have been fully supported with enough funds to continue at least through 2014. Further fundraising is planned to support the web sites beyond this time.

A list of the fundraising for the major 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 in the difficult economic climate.

Future plans

The objectives for 2014 will be fundraising for the Israel Science Journey campaign in support of threatened schools in Israel; particularly the Levinson laboratory at Kiryat Yam, Israel. The focal point for British donors is to support schools in Moscow, St Petersburg and Kazan in Russia and Kiev in Ukraine. We shall continue to fund the educational seminars and the web-site publishing.

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

Reserves Policy

The Charity's Trustees have established a general reserves policy, as set out here, to retain general reserves of \$2 million. This is to ensure continuity for charitable programs in the event of a sudden decrease in donations without retaining income for longer than required.

The level of unrestricted expenditure in 2013 was US\$ 1.2 million, and this includes discretionary spend. The present level of free reserves available for the Charity is US\$ 2.5 million.

Trustees' responsibilities

The trustees are responsible for preparing the trustees' Report and the financial statements in accordance with applicable law and regulations.

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 Standard and applicable law). 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 company and the profit or loss of the company for that period.

In preparing these financial statements, the trustees are required to :

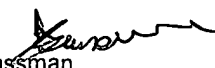
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Small companies' exemption

The Trustees have taken exemption under section 414 (B) not to prepare a Strategic Report.

For and on behalf of the Trustees


Peter Sussman
Trustee

Date: 24th September 2014

Independent auditor's report to the members

We have audited the financial statements for the year ended 31 December 2013 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, Statement of Changes in Charitable Funds and the related notes 1 to 16. 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).

This report is made solely to the 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 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 company and the 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 explained more fully in the Trustees' Responsibilities Statement set out on page 5, 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Trustees 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 2013 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 General Accepted Accounting Practice; and
- Have been prepared in accordance with the requirement of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006 (continued)

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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 the trustees' remuneration specified by the 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

Ernst & Young LLP

Gordon Cullen (Senior Statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date

30/4/14

Statement of Financial Activities for the year ended 31 December 2013

(including the Income & Expenditure account)

	Note	Unrestricted Funds US\$'000	Restricted funds US\$'000	2013 Total US\$'000	2012 Total US\$'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2a	499	398	897	2,813
Activities for generating funds	2b	892	-	892	902
Investment income	2c	-	-	-	-
Total incoming resources		1,391	398	1,789	3,715
Resources expended					
Costs of generating funds:					
Cost of generating voluntary income	3	13	-	13	18
Cost of activities for generating funds	3	740	-	740	689
Charitable activities	3	424	398	822	3,004
Governance costs	3	35	-	35	25
Total resources expended		1,212	398	1,610	3,736
Net outgoing resources before other recognised gains and losses		179	-	179	(21)
Other recognised gains and losses					
Actuarial loss on defined benefit pension scheme	12	(98)	-	(98)	(44)
Net movement in funds		81	-	81	(65)

All income is from continuing
operations.

A reconciliation of charitable funds is provided on page 11.

The notes on pages 11 to 20 form part of these financial statements.

Balance sheet as at 31 December 2013

	Note	2013 US\$'000	2012 US\$'000
Fixed assets			
Tangible assets	9	3,542	3,645
Current assets			
Debtors	10	519	524
Cash at bank and in hand		1,511	1,998
		2,030	2,522
Creditors: amounts falling due within one year	11	(2,368)	(2,960)
Net current liabilities		(338)	(438)
Total assets less current liabilities		3,204	3,207
Defined benefit pension scheme liability	12	(697)	(781)
Net assets including pension liability		2,507	2,426
Charitable funds:			
Unrestricted funds		3,204	3,207
Pension reserves		(697)	(781)
Total Charitable funds		2,507	2,426

The notes on pages 11 to 20 form part of these financial statements.

Approved by the Board of Trustees on 24th September 2014 and signed on its behalf by



Peter Sussman

Trustee

Cash flow statement for the year ended 31 December 2013

	Note	2013 US\$'000	2012 US\$'000
Cash Flow Statement			
Net cash (outflow)/inflow from operating activities	13	(470)	1,533
Capital expenditure	13	(17)	-
(Decrease)/increase in cash		(487)	1,533

Reconciliation of net cash flow to movements in net cash:

(Decrease)/increase in cash	(487)	1,533
Net cash at 1 January	1,998	465
Net cash at 31 December	1,511	1,998

The notes on pages 11 to 20 form part of these financial statements.

Statement of Changes in Charitable Funds as at 31 December 2013

<u>Unrestricted Funds</u>				
	Note	General reserves US\$'000	Defined benefit pension scheme US\$'000	Total charitable funds US\$'000
At 1 January 2012		3,201	(710)	2,491
Defined benefit pension scheme				
- contributions in the year	12	-	79	79
- net benefit cost	12	-	(82)	(82)
- foreign exchange translation loss	12		(24)	(24)
- actuarial loss	12	-	(44)	(44)
Gain for the year 2012		6	-	6
Net movement for the year 2012		6	(71)	(65)
At 1 January 2013		3,207	(781)	2,426
Defined benefit pension scheme				
- contributions in the year	12	-	253	253
- net benefit cost	12	-	(62)	(62)
- foreign exchange translation loss	12	-	(9)	(9)
- actuarial loss	12	-	(98)	(98)
Loss for the year 2013		(3)	-	(3)
Net movement for the year 2013		(3)	84	81
At 31 December 2013		3,204	(697)	2,507

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 2006. 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

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

Restricted funds are subject to specific restrictions imposed by the donor.

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

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.

Going concern

The Trustees consider that reserves held at the year end of \$2.5million are sufficient to manage a foreseeable downturn in the UK and global economies. 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.

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:

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

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.

1 Accounting policies (continued)

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.

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 '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. 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 12. 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

2 Incoming resources

	2013	2013	2013	2012
	Unrestricted	Restricted	Total	Total
	US\$'000	US\$'000	US\$'000	US\$'000
a Voluntary income				
Grants	-	398	398	2,130
Donations from ORT UK	458	-	458	629
Donations others	41	-	41	54
	<u>499</u>	<u>398</u>	<u>897</u>	<u>2,813</u>

b Activities for generating funds

	2013	2012
	US\$'000	US\$'000
Letting of property surplus to operational requirements	787	847
Sundry revenue	105	55
	<u>892</u>	<u>902</u>

3 Resources expended

	Basis of apportionment	Voluntary income	Letting activity	Restricted Grants	Unrestricted Grants	Education & Training	Governance	2013 Total	2012 Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Costs directly allocated to activities									
Grants		-	-	398	400	-	-	798	2,969
Letting activity		-	688	-	-	-	-	688	511
Education office		-	-	-	-	20	-	20	-
Audit fees		-	-	-	-	-	20	20	19
Support costs apportioned to activities									
Fundraising office	Staff time	(2)	(11)	-	(1)	(6)	-	(20)	51
Central costs	Floor area	15	106	-	8	8	15	152	137
Finance office	Staff time	-	1	-	-	1	-	2	15
Defined benefit pension scheme net cost	Staff time	-	(160)	-	-	(22)	-	(182)	34
Pension recovery plan	Staff time	-	116	-	-	16	-	132	-
		<u>13</u>	<u>740</u>	<u>398</u>	<u>407</u>	<u>17</u>	<u>35</u>	<u>1,610</u>	<u>3,736</u>

4 Net incoming resources for the year is after charging the following:

	2013	2012
	US\$'000	US\$'000
Depreciation	120	128
Auditors' remuneration - audit services	20	19
Foreign exchange loss	23	65

5 Restricted funds

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>
Kishinev schools, Moldova	124	CIS
Hatter Technology seminar	100	Students worldwide
Vilnius school, Lithuania	43	Baltic
Outstanding service	25	Professionals worldwide
Moscow schools, Russia	15	CIS
Learning music during the Holocaust	37	Students worldwide
Israel - Science Journey	12	Israel
Archiving World ORT historic documents	42	Archive
	<u>398</u>	

6 Unrestricted funds

Voluntary income at \$0.5 million (2012: \$1.7 million) derived mainly from ORT UK.

Unrestricted grants of \$0.4 million (2012: \$1.9 million) were made to World ORT.

The grants were mainly used to support education in Israel and CIS.

7 Trustees' (Directors') emoluments and reimbursed expenses

No trustee received remuneration or expenses during the year from World ORT Trust (2012 nil).

8 Staff costs and emoluments

	2013	2012
	US\$'000	US\$'000
Wages and salaries	130	115
Social security costs	5	12
Pension costs - defined benefit	134	67
	<u>269</u>	<u>194</u>

No employee had emoluments exceeding \$60,000

Average monthly number of employees during the year:

	2013	2012
	Number	Number
Full time	<u>4</u>	<u>4</u>

Staff activities:

Administration	1	1
Tenant & building support	3	3

9 Fixed Assets

	Freehold land & building US\$'000	Freehold Building improve- ments US\$'000	Fixtures & equipment US\$'000	2013 Total US\$'000
<u>Cost</u>				
At 1 January 2013	3,542	39	577	4,158
Additions at cost	-	-	17	17
Disposals	-	-	(28)	(28)
At 31 December 2013	<u>3,542</u>	<u>39</u>	<u>566</u>	<u>4,147</u>
<u>Depreciation</u>				
At 1 January 2013	(85)	(11)	(417)	(513)
Charge for year	(7)	(8)	(105)	(120)
Disposals	-	-	28	28
At 31 December 2013	<u>(92)</u>	<u>(19)</u>	<u>(494)</u>	<u>(605)</u>
<u>Net book value</u>				
At 31 December 2013	<u>3,450</u>	<u>20</u>	<u>72</u>	<u>3,542</u>
At 31 December 2012	<u>3,457</u>	<u>28</u>	<u>160</u>	<u>3,645</u>

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

	2013 US\$'000	2012 US\$'000
10 Debtors		
Trade debtors	31	38
Prepayments	68	80
Other debtors	7	7
Affiliated ORT organisations	167	175
Amounts owed from parent undertaking	<u>246</u>	<u>224</u>
	<u>519</u>	<u>524</u>

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

	2013 US\$'000	2012 US\$'000
11 Creditors: amounts falling due within one year		
Trade creditors	54	53
Amounts owed to parent undertaking	2,168	2,793
Other creditors	33	51
Taxation and social security	90	22
Accruals	<u>23</u>	<u>41</u>
	<u>2,368</u>	<u>2,960</u>

12 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 2013 were recharged to World ORT.

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 \$103,000 plus 27.6% 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 2012 and was updated by the actuary, Aviva, to take the account of the requirements of FRS17 in order to assess the liabilities of the scheme at December 2013. 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

	2013	2012
Active members at 31 December	4	4
Preserved & deferred members at 31 December 2013	42	42

One of the scheme's four active members is employed by World ORT. His 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 are:

	2013	2012	2011	2010	2009
Inflation assumption	2.7%	2.3%	2.70%	3.60%	3.60%
Rate of increases in salaries	1.24%	1.5%	1.70%	4.60%	4.60%
Discount rate	4.4%	4.3%	4.70%	5.40%	5.70%
RPI pension escalation	2.7%	2.3%	2.50%	3.50%	3.50%
Revaluation rate for deferred pension	2.7%	2.3%	2.70%	3.60%	3.60%
Allowance for commutation for cash	nil	nil	nil	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-13	Dec-12
Retiring today		
Male	24.4	24.3
Female	26.4	26.3
Retiring in 20 years		
Male	27.6	27.4
Female	29.6	29.4

12 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.

	2013 US\$'000	2012 US\$'000
<i>The assets and liabilities of the scheme at 31 December</i>		
Fair value of scheme's assets	1,654	1,329
Present value of scheme's liabilities	(2,351)	(2,110)
Net pension liability	(697)	(781)

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 2013 %	31 Dec 2012 %
The asset allocation of the fund was as follows:		
UK shares	14	11
International shares	8	4
Property	5	4
UK fixed interest	12	13
Corporate bonds	51	57
International bonds	4	4
Cash and cash alternatives	6	6
	<u>100</u>	<u>100</u>

Recognised in Statement of Financial Activities

	2013 US\$'000	2012 US\$'000
<i>Net benefit cost</i>		
Current service cost - World ORT Trust	(23)	(34)
- World ORT recharged	(4)	(4)
- exchange difference	(1)	6
Current service cost - total	(28)	(32)
Interest cost on benefit obligation	(89)	(90)
Expected return on plan assets	55	40
Total recognised in Statement of Financial Activities	<u>(62)</u>	<u>(82)</u>

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

	2013 US\$'000	2012 US\$'000
Actual Return on scheme assets	27	38
Less: expected return on scheme assets	(55)	(40)
	(28)	(2)
Other actuarial gains and losses	(70)	(42)

Actuarial gain and losses recognised in the Statement of Financial Activities in other Gains and Losses

	<u>(98)</u>	<u>(44)</u>
--	-------------	-------------

Present value of scheme obligations

	2013 US\$'000	2012 US\$'000
Changes in the defined benefit obligation		
At 1 January	2,110	1,880
Current service cost	28	25
Interest cost on benefit obligation	89	90
Actuarial gains and losses	70	43
Contributions by scheme members	9	8
Exchange adjustment	45	63
At 31 December	<u>2,351</u>	<u>2,110</u>

12 Employee retirement benefits (continued)

	2013	2,012			
Changes in the fair value of plan assets	US\$'000	US\$'000			
At 1 January	1,329	1,170			
Actuarial gains and Losses	(28)	(2)			
Expected return on plan assets	55	40			
Contributions by employer	253	73			
Contributions by scheme members	9	8			
Exchange adjustment	36	40			
At 31 December	<u>1,654</u>	<u>1,329</u>			
	2013	2012			
	US\$'000	US\$'000			
• The movement in the scheme deficit consists of:					
Deficit at the beginning of the year	(781)	(710)			
Contributions during the year	253	79			
Net benefit cost	(62)	(82)			
Actuarial loss through statement of changes in charitable funds	(98)	(44)			
Exchange adjustment	(9)	(24)			
Deficit at the end of the year	<u>(697)</u>	<u>(781)</u>			
• History of experience gains & losses	2013	2012	2011	2010	2009
	US\$000	US\$000	US\$000	US\$000	US\$000
Difference between expected & actual return on scheme assets:					
Amount	(28)	(2)	(2)	(6)	(24)
Percentage of scheme assets	0%	0%	(0%)	0%	1%
Experience gains and losses on scheme liabilities:					
Amount	0	82	8	72	(17)
Percentage of scheme liabilities	(0%)	0%	(0%)	3.0%	0.5%
Effects of changes in the demographic & financial assumptions underlying the present value of the scheme liabilities:					
Amount	(70)	-126	50	(80)	(376)
Percentage of the present value of the scheme liabilities	3%	6%	(3%)	4%	16%
Total actuarial gain or loss					
Amount	(98)	-45	56	(14)	(417)
Percentage of the present value of the scheme liabilities	4%	2%	(3%)	1%	18%

• Expected long term rates of return

The long term expected rate of return on the assets is referenced to the bonus rate applied to the assets held. The expected long term rates of return applicable for each period are as follows:

	Period	Period
Aviva Deferred Allocation funding contract	3.10%	3.25%
Overall for scheme	3.10%	3.25%

The expected returns have been based on the current split by the investment sector of assets of the Scheme, using average expected returns on each sector.

• Amounts for the current and previous four years

	2013	2012	2011	2010	2009
	\$000's	\$000's	\$000's	\$000's	\$000's
Fair value of the plan assets	1,654	1,329	1,170	1,056	1,529
Present value of the defined benefit obligations	2,351	2,110	1,880	1,805	2,281
Deficit in scheme	(697)	(781)	(709)	(748)	(752)
Experience adjustment on deficit benefit obligations	-	82	8	73	(18)
Experience adjustment on plan assets	(30)	(2)	(2)	(6)	(24)

13 Notes to the cash flow statement

Reconciliation of net outgoing resources to net cash inflow from operating activities.

	2013	2012
	US\$'000	US\$'000
Operating activities		
Net incoming/(outgoing) resources	179	(21)
Adjusted by:		
Defined benefit scheme net cost	(182)	27
Depreciation	120	128
Decrease in debtors	5	1,169
(Decrease)/increase in creditors	(592)	230
Net cash (outflow)/inflow from operating activities	(470)	1,533
	2013	2012
	US\$'000	US\$'000
Capital expenditure		
Payments to acquire tangible fixed assets	17	-

14 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.

When translating from Great Britain Pounds the following rates of exchange were used:

	2013	2012
The average of the rates of exchange used during the year:	£0.64/USD\$	£0.62/US\$
The closing rate of exchange at year-end 31 December:	£0.61/USD\$	£0.63/US\$

15 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 officers of the parent donated US\$ 567,624 to World ORT.

16 Ultimate parent undertaking

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

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.