

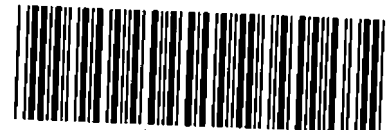
Company number: 2967916

Charity number: 1042541

World ORT Trust

**Report and Financial Statements
(A company limited by guarantee)
Year ended 31 December 2019**

TUESDAY



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COMPANIES HOUSE

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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

Anthony Brittan	Trustee of ORT UK
Richard Hatter	
Lady Irene Hatter	

Secretary

Garry Hirth

Senior Management Team

Chief Financial Officer	Garry Hirth
Acting CEO	Dan Green

Statutory Auditor

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

Banker

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

Report of the Trustees for the year ended 31 December 2019 (continued)

What we aim to do...

The Charity makes grants to World ORT, a Swiss registered charity and its parent, 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 childcare 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 its 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 the officers.

The Charity's other advisers are set out on page 1.

Report of the Trustees for the year ended 31 December 2019 (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.

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 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 Financial Officer of World ORT Trust is also the Chief Financial Officer of World ORT and does not receive any remuneration for his 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 for the running of the charity are donated 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%.

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.

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.

Report of the Trustees for the year ended 31 December 2019 (continued)

Financial review

During the year the income of the Charity was US\$1.10 million (2018 US\$ 1.72 million) of which voluntary giving was US\$0.43 million (2018 US\$ 1.02 million).

ORT UK donated US \$379,000 (2018 US\$799,000).

Revenue from trading was US\$672,000 (2018 US\$703,000).

This enabled the Charity to make charitable grants totalling US\$118,000 (2018 US\$776,000).

The Charity made a surplus before other recognised gains and losses of US\$ 256,000 in 2019 (US\$ 291,000 loss in 2018).

The total expenditure on charitable activities as a proportion of income (excluding activities for generating funds and the defined benefit scheme) was 76.7% (2018 87.8%).

The valuation of the defined benefit pension scheme at 31 December 2019 has a funding deficit of \$696,000. More details are given below, under risks, and in note 10.

Reserves

The Charity has two types of reserves, restricted and unrestricted.

Restricted reserves comprise revenue and expenditure relating to specific donations made by individuals which are then passed onto World ORT to fulfil programmes. Unrestricted reserves comprise net income generated from letting of the Charity's building and donations made for general charitable purposes.

It is the Trustees' policy to donate the net surplus generated from the letting activity to World ORT to fund its projects worldwide. Unrestricted funds comprise a land and building revaluation reserve of \$14,148,000, a deficit on the pension fund of \$696,000 and unrestricted funds of \$3,197,000.

The Trustees plan to maintain free reserves at a level that ensures that it can meet any shortfall in donations.

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.

Income summary

Donations and legacies was \$429,000 (2018 \$1,019,000).

Letting activity income was \$672,000 (2018 \$703,000).

Expenditure summary

Expenditure on charitable activities was \$230,000 (2018 \$895,000).

Expenditure on letting activity was \$615,000 (2018 \$604,000).

Net income for the year

Net surplus before other gains and losses was \$256,000 (2018 Deficit \$291,000)

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

Report of the Trustees for the year ended 31 December 2019 (continued)

The letting of excess space in ORT House is satisfactory with the Charity hosting 12 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 2019

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 straight comparatives are not always possible

<u>Activity</u>	<u>Region</u>	<u>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
Israel - Science Journey	Israel	26,000	189,000
Israel - Network of owned schools	Israel	7,000	144,000
St Petersburg VTC 2 Yesod	CIS	-	19,000
St Petersburg VTC 4 Yesod K	CIS	32,000	-
CIS STEM 2018 campaign	CIS	-	7,000
Learning music during the Holocaust	Students worldwide	-	7,000
Wingate Seminar	Students worldwide	-	23,000
Hatter Technology seminar	Students worldwide	50,000	-
Encyclopaedia website	Students worldwide	-	34,000
Others	Students worldwide	3,000	5,000
		118,000	428,000

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 2020 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.

The Trustees plan by the end of 2020 to effect a partial sale of the freehold property and to commence the redevelopment of the remaining one third for its own use, occupying part of the redeveloped property and letting out unused space to charitable tenants. The company's property advisors, CBRE Ltd, are of the opinion that the potential sales value of the freehold building has eased only slightly due to the impact of COVID-19 but demand for this type of property remains strong due to its location in Camden. In their opinion there has been no diminution in the value of the freehold building between the end of 2018 and end of 2019.

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.

Report of the Trustees for the year ended 31 December 2019 (continued)

- Certain areas of the property which are not rented to the tenants are utilised for conferences.
- Dividing the rest of the excess space into smaller units to achieve a diversity of tenants. This will be further mitigated following the redevelopment plans with strong demand for the available space having been received.

Rental and license fee revenue

	<u>Number of tenants</u>		
	<u>Actual</u> 2019	<u>Plan</u> 2020	<u>Plan</u> 2021
under \$50,000 per annum	10	11	-
\$51,000 - \$100,000 per annum	1	-	-
over \$100,000 per annum	1	1	-
Total number of tenants	12	12	-

ORT UK contributed 72.4% of donations in 2019 and the Trustees expect it to remain a significant donor in 2020 and 2021.

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 \$696,000. The Trustees intend to settle the deficit from the proceeds of the property sale.

The Trustees closed the scheme to new members in 1999. It had one active member at the end of 2019. The last member is due to retire in 2028.

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. A revaluation of the freehold land and buildings was carried out in 2018 which has resulted in a Revaluation reserve of US\$14.14m. The value of the land and buildings as at 31 December 2019 stands at \$17.70m.

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

Report of the Trustees for the year ended 31 December 2019 (continued)

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.

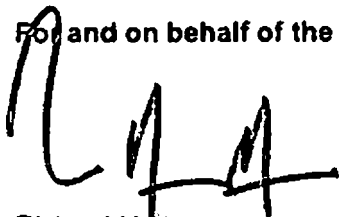
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 the auditor

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 auditor is 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 auditor is aware of that information.

For and on behalf of the Trustees



Richard Haiter
Trustee

Date: 8th September 2020

WORLD ORT TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WORLD ORT TRUST FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of World ORT Trust for the year ended 31 December 2019 which comprise the balance sheet as at 31 December 2019, and the statement of financial activities incorporating income and expenditure account and the statement of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

WORLD ORT TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WORLD ORT TRUST FOR THE YEAR ENDED 31 DECEMBER 2019

required to report that fact.

We have nothing to report in this regard.

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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees (who are also the directors of the charity 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

WORLD ORT TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WORLD ORT TRUST FOR THE YEAR ENDED 31 DECEMBER 2019

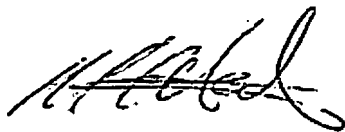
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charity'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 charity'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 charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Hart (senior statutory auditor)

For and on behalf of
Blick Rothenberg Audit LLP
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date 19 November 2020

Statement of Financial Activities for the year ended 31 December 2019
(including the Income & Expenditure account)

	Note	Unrestricted Funds	Restricted funds	2019 Total	2018 Total
Income		US\$'000	US\$'000	US\$'000	US\$'000
Donations and legacies	2a	311	118	429	1,019
Income from letting activity	2b	672	-	672	703
Income total		<u>983</u>	<u>118</u>	<u>1,101</u>	<u>1,722</u>
Expenditure					
Charitable activities	6	112	118	230	895
Exceptional past service cost of the defined benefit scheme	10	-	-	-	514
Building costs	6	615	-	615	604
Expenditure total		<u>727</u>	<u>118</u>	<u>845</u>	<u>2,013</u>
Net income/(expenditure) before other gains and losses		256	-	256	(291)
Other recognised gains and losses					
Gains on revaluation of land and buildings	7	-	-	-	14,148
Actuarial loss on defined benefit pension scheme	10	(51)	-	(51)	(220)
Net movement in funds		205	-	205	13,637
Reconciliation of funds					
Total funds brought forward at 1 January		<u>16,444</u>	<u>-</u>	<u>16,444</u>	<u>2,807</u>
Total funds carried forward at 31 December		<u>16,649</u>	<u>-</u>	<u>16,649</u>	<u>16,444</u>

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

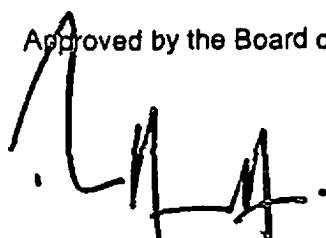
All income and expenditure stem from continuing operations.

The notes on pages 14 to 24 form part of these financial statements.

Balance Sheet

	Note	2019 US\$'000	2018 US\$'000
Fixed assets			
Tangible assets	7	17,717	17,682
Current assets			
Debtors	8	73	154
Cash at bank and in hand	11	458	307
		<u>531</u>	<u>461</u>
Liabilities			
Creditors: amounts falling due within one year	9	(903)	(457)
Net current (liabilities)/assets		<u>(372)</u>	<u>4</u>
Total assets less current liabilities		17,345	17,686
Defined benefit pension scheme liability	10	(696)	(1,242)
Net assets including pension liability		<u>16,649</u>	<u>16,444</u>
 Charity funds:			
Unrestricted funds		3,197	3,538
Revaluation Reserve		14,148	14,148
Pension reserve		(696)	(1,242)
Total charity funds		<u>16,649</u>	<u>16,444</u>

Approved by the Board of Trustees on 8 September 2020 and signed on its behalf by



Richard Hatter

The notes on pages 14-24 form part of the financial statements.

Cash Flow statement for the year ended 31 December 2019

	Note	2019 US\$'000	2018 US\$'000
Cash flows from operating activities:			
Net cash generated by operating activities	11	219	193
Cash flows from investing activities:			
Purchase of equipment	7	(68)	(89)
Change in cash and cash equivalents in the reporting period		151	104
Cash and cash equivalents at the beginning of the reporting period		307	203
Cash and cash equivalents at the end of the reporting period	11	458	307

The notes on pages 14 to 24 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 Ireland (FRS102) (effective from 1 January 2019) 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 2019, the Charity had net current liabilities of \$372,000 and total reserves of \$16,649,000. The Trustees consider that the Charity will continue to be able to meet its liabilities as they fall due because grants payable 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. World ORT Trust has been affected by COVID-19. The offices have been shut since March 2020 and World ORT Trust has taken advantage of the Government's furlough scheme as well as negotiating with suppliers to reduce costs to offset the fall in rental income predominantly from conferencing activity.

d Income

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

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 an accruals 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 an accruals 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 letting of the Charity's property.
- 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 comprise those costs associated with legal and statutory compliance services.
- 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 6 'Expenditure'.

1 Accounting policies (continued)

f Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the 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, fixtures 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.

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the income and expenditure account.

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:

Tangible fixed assets	Annual Rate
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 deposits.

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 expected to be in the employment of World ORT for a period of 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.

1 Accounting policies (continued)

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	2019		2019	2018		2018
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
a Donations and legacies						
Grants	-	50	50	-	63	63
Donations from ORT UK	311	68	379	590	209	799
Donations others	-	-	-	1	156	157
	<u>311</u>	<u>118</u>	<u>429</u>	<u>591</u>	<u>428</u>	<u>1,019</u>

b Letting activity	2019	2018
	US\$'000	US\$'000
Letting of property surplus to operational requirements	672	703
	<u>672</u>	<u>703</u>

3 Trustees' (Directors') emoluments and reimbursed expenses

No Trustee received remuneration, benefit in kind or reimbursement of expenses during the year (2018 Nil).

4 Staff costs and emoluments

	2019	2018
	US\$'000	US\$'000
Wages and salaries	100	62
Social security costs	10	5
Pension costs - defined benefit	30	40
Pension costs - defined contribution	14	30
	<u>154</u>	<u>137</u>

No employee had emoluments exceeding £60,000.

Average monthly number of employees during the year:

	2019	2018
	Number	Number
Full time	3	3
Staff activities:		
Administration	1	1
Tenant & building support	2	2

5 Net Income/(expenditure) for the year

This is after charging the following:

	2019	2018
	US\$'000	US\$'000
Audit fees	32	38
Depreciation	32	38
Foreign exchange loss	58	8

6 Expenditure	Charitable Activities Unrestricted US\$'000	Charitable Activities Restricted US\$'000	Letting Activity US\$'000	2019 Total US\$'000	2018 Total US\$'000
Grants	-	118	-	118	776
Support costs (all letting activity)					
Salaries and related costs	-	-	110	110	72
Defined benefit pension scheme net cost	28	-	2	30	40
Defined contribution pension scheme costs	10	-	4	14	30
Office & travel	19	-	-	19	24
Building maintenance	-	-	364	364	343
Legal and professional	6	-	43	49	131
Governance Audit fees	49	-	-	49	38
Depreciation	-	-	34	34	38
Foreign exchange loss	-	-	58	58	8
Exceptional past service cost of the defined benefit scheme	-	-	-	-	514
	112	118	615	845	2,013

7 Fixed Assets	Freehold land & building US\$'000	Freehold Building improve- ments US\$'000	Fixtures & equipment US\$'000	2019 Total US\$'000	2018 Total US\$'000
Cost/Valuation					
At 1 January 2019	17,563	114	285	17,962	3,853
Additions at cost	-	68	-	68	89
Revaluations	-	-	-	-	14,020
At 31 December 2019	17,563	182	285	18,030	17,962
Depreciation					
At 1 January 2019	-	(40)	(241)	(281)	(370)
Charge for year	(5)	-	(27)	(32)	(38)
Revaluations	-	-	-	-	128
At 31 December 2019	(5)	(40)	(268)	(313)	(281)
Net book value					
At 31 December 2019	17,558	142	17	17,717	
At 31 December 2018	17,563	75	44		17,682

The freehold land and building is ORT House, the head office of the Charity. The property was revalued as at 31st December 2018 by Colliers International Valuation UK LLP to arrive at a fair value taking the Market Rent and Market Value based on prevailing market conditions and after taking into account the existence of Planning Permission granted in 2018. The trustees have reassessed the valuation basis and factors impacting the valuation and still consider that there has been no change in fair value at the year end. The carrying amount of the freehold land and buildings under the historical cost convention would have been US\$3,415,000. For 2019, depreciation has been charged on the new revalued cost.

8 Debtors	2019	2018
	US\$'000	US\$'000
Trade debtors	33	56
Prepayments	35	34
Other debtors	5	22
Affiliated ORT organisations		42
	<u>73</u>	<u>154</u>
9 Creditors	2019	2018
	US\$'000	US\$'000
Trade creditors	63	65
Amounts owed to parent undertaking	237	165
Affiliated ORT organisations	8	-
Other creditors	60	70
Taxation, social security and VAT	135	62
Accruals and deferred income	400	95
	<u>903</u>	<u>457</u>
Deferred income	2019	2018
Deferred income at 1 January 2019	28	26
Resources deferred during the year	28	28
Amounts released from previous years	(28)	(26)
Deferred income at 31 December 2019	<u>28</u>	<u>28</u>

World ORT Trust acts as payroll agents for its parent. Included within amounts owed for Taxation, social security and VAT is \$123,272 relating to the liability of its parent undertaking. This amount has also been netted off the amounts owed to the parent undertaking.

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%.

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 \$116,309 plus \$18,372 of costs. In the next accounting year World ORT Trust will have no active member.

The Valuation used has been based on the most recent actuarial valuation at 1 January 2018 and was updated by the actuary, Aviva, to take account of the requirements of FRS102 in order to assess the liabilities of the scheme at December 2019. 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	2019	2018
Active members at 31 December	1	3
Preserved & deferred members at 31 December 2019	27	25

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:

	2019	2018
Inflation assumption	2.95%	3.3%
Rate of increases in salaries	1.0%	1.0%
Discount rate	2.0%	2.7%
CPI pension escalation	1.95%	2.25%
Revaluation rate for deferred pensioners (CPI)	1.95%	2.25%
Allowance for commutation for cash at retirement	nil	nil

Retirement

All members are assumed to reach their Normal Retirement Age.

Demographic Assumptions

	2019	2018
Assumed life expectancy in years, on retirement at 65		
Retiring today		
Male	22.4	22.7
Retiring in 20 years		
Male	24.0	24.6

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.

	2019	2018
	US\$'000	US\$'000
<i>The assets and liabilities of the scheme at 31 December</i>		
Fair value of plan assets	1,320	470
Present value of funded obligation	(2,016)	(1,712)
Net liability	<u>(696)</u>	<u>(1,242)</u>

	2019	2018
	US\$'000	US\$'000
Present value of scheme obligations		
Changes in the defined benefit obligation		
At 1 January	(1,712)	(2,114)
Current service cost	(5)	(19)
Past service cost	-	(514)
Interest on scheme liabilities	(46)	(36)
Actuarial gains and losses	(185)	(303)
Contributions by scheme members	(1)	(4)
Benefits paid	-	1,184
Exchange adjustment	(67)	94
At 31 December	<u>(2,016)</u>	<u>(1,712)</u>

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

	31 Dec 2019	31 Dec 2018
	%	%
The asset allocation of the fund was as follows:		
Aviva- Deferred Allocation Funding with Profits policy	40	70
Aviva- Value of Guaranteed Annuity options	16	30
Cash and cash alternatives	44	-
	<u>100</u>	<u>100</u>

	2019	2018
	US\$'000	US\$'000
Recognised in Statement of Financial Activities		
Current service cost	(6)	(19)
Interest cost on benefit obligation	(46)	(36)
Expected return on plan assets	14	23
Past service cost	-	(514)
Total recognised in Statement of Financial Activities	<u>(38)</u>	<u>(546)</u>

10 Employee retirement benefits (continued)

Taken to the Statement of Financial Activities in other gains and losses	2019 US\$'000	2018 US\$'000
Actual Return on scheme assets	148	51
Interest income	(14)	(23)
	<u>134</u>	<u>28</u>
Other actuarial gains and losses	(185)	(303)
Exchange rate (losses)/gains		55
Actuarial gain and losses recognised in the Statement of Financial Activities in other Gains and Losses	<u>(51)</u>	<u>(220)</u>

No amounts (2018 \$nil) were included in the cost of assets.

10 Employee retirement benefits (continued)

Changes in the fair value of plan assets	2019 US\$'000	2018 US\$'000
At 1 January	470	1,495
Expected return on plan assets	134	27
Interest income	14	22
Actuarial gain and losses	-	-
Contributions by employer	663	147
Contributions by scheme members	1	4
Administration fee paid from scheme assets	(1)	(5)
Benefits paid	-	(1,124)
Exchange adjustment	39	(96)
At 31 December	<u>1,320</u>	<u>470</u>

<i>The movement in the scheme deficit consists of:</i>	2019 US\$'000	2018 US\$'000
Deficit at the beginning of the year	(1,242)	(619)
Actuarial gains through statement of changes in charitable funds	(51)	(275)
Contributions during the year	663	155
Net benefit cost	(38)	(37)
Exceptional past service cost	-	(514)
Exchange adjustment	(28)	48
Defined benefit pension scheme included income for the year	597	(348)
Deficit at the end of the year	<u>(696)</u>	<u>(1,242)</u>

	2019 US\$'000	2018 US\$'000
11 Reconciliation of cash flows from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	256	(291)
Adjustments for:		
Exchange rate adjustment on pensions obligations	1	56
Defined benefit pension scheme (loss)/gain	(597)	348
Operating (deficit)/surplus for the year	(340)	113
Depreciation	32	38
Decrease in debtors	81	112
Increase/(Decrease) in creditors	446	(70)
Net cash outflow from operating activities	219	193
 Analysis of cash and cash equivalents	 2019 US\$'000	 2018 US\$'000
Cash at bank and in hand	458	307
Total cash and cash equivalents	458	307

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

	2019 \$	2018 \$
Donations		
Hatter Foundation	50,000	144,000
	50,000	144,000

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.

14 Analysis of net assets between funds as at 31 December 2019

	General funds US\$'000	Pension reserve US\$'000	Total US\$'000
Tangible fixed assets	17,717	-	17,717
Cash at bank and in hand	458	-	458
Other net current liabilities	(830)	-	(830)
Creditors of more than one year	-	(696)	(696)
Total	17,345	(696)	16,649

Analysis of net assets between funds - previous year

	General funds US\$'000	Pension reserve US\$'000	Total US\$'000
Tangible fixed assets	17,682	-	17,682
Cash at bank and in hand	307	-	307
Other net current liabilities	(303)	-	(303)
Creditors of more than one year	-	(1,242)	(1,242)
Total	17,686	(1,242)	16,444

15 Financial Instruments

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

	2019 \$'000	2018 \$'000
Financial assets		
Measured at undiscounted amount receivable:		
Trade and other debtors	38	154
	38	154
Financial liabilities		
Measured at undiscounted amount payable:		
Trade and other creditors	123	135
Amounts owed to group undertakings	245	165
	368	300