

Charity Registration No. 1042541

Company Registration No. 02967916 (England and Wales)

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lady I Hatter Mr R M Hatter
Senior management team	Acting Chief Financial Officer: Mr H Grumet
Charity number	1042541
Company number	02967916
Principal address	New ORT House 147 Arlington Road London England NW1 7ET
Registered office	Shield House Harmony Way London England NW4 2BZ
Auditor	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
Bankers	Lloyds Bank PLC 140 Camden High Street London NW1 0NG

WORLD ORT TRUST

(A COMPANY LIMITED BY GUARANTEE)

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WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Principal aims, objectives and activities

The charitable objects of the World Ort Trust are given below and are taken from the Memorandum and Articles of Association, as follows:

(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.

To meet these objectives, World Ort Trust makes grants to World ORT, so that it can carry out education and training projects worldwide.

World Ort Trust performs some curriculum development and project co-ordination in the United Kingdom for World ORT.

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 have invested in the freehold land and building in London which is part-occupied by the Charity's head office. World Ort Trust lets out space in its London office, which is surplus to operational requirements, to not-for-profit organisations. The rental stream from tenants covers the overheads on those elements of the building not occupied by World ORT. World Ort Trust owned and part occupied the freehold of 126 Albert Street NW1 7NE and 147 Arlington Road London NW1 7ET – previously one property. During the year the property was vacated and 126 Albert Street NW1 7NE was sold for £8.75m on 3 December 2021. The sale process was conducted in accordance with the requirements of The Charities Act 2011 Part 7 Section 117 to 119. 147 Arlington Road London NW1 7ET was retained and will be refurbished for part-owner occupation, and accommodation surplus to the Charity's operational requirements will be leased to third party tenants to generate an annuity income for the Charity.

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 management prior to letting. No professional fundraisers or third party commercial participators are used.

Funds raised by World ORT Trust not required for the running of the charity are donated to World ORT at the discretion of Management and the Trustees. Grants, whether restricted or unrestricted, is determined by the donors. The proportion of World ORT's revenue donated by World ORT Trust is usually less than 10%.

The Charity also raises donations from certain UK donors in co-operation with, and also from, ORT UK.

There has been no change in these activities during the year.

To assess whether these objectives have been achieved, the Trustees review the amount of monies received for charitable purposes and amount of monies remitted to World ORT.

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(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

In this context the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission in relation to the activities being for the public benefit, as well as, the Equalities Act 2010 when reviewing the Charity's aims and objectives and in planning future activities.

Social investments

The Charity has a policy of not making social investments either in individuals or in schools.

Grant making policy

Each year Trustees prepare a financial plan. The basis of the plan is the outline agreements with grant making bodies, 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 so that it can carry out education and training projects worldwide.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

The results for the year are set out in the Statement of Financial Activities on page 13.

During the year the total income of the Charity was \$9,647,667 (2020: \$1,272,270).

Income from donations was \$384,538 (2020: \$724,421) of which \$120,983 (2020: \$317,365) was for restricted purposes. From the total donations received, ORT UK had donated \$272,949 (2020: \$601,000). From these donations the Charity was able to make charitable grants totalling \$120,983 (2020: \$317,165) to World ORT.

Income from letting activity was \$206,928 (2020: \$547,128). During the year, part of the freehold property was disposed. The charity also commenced refurbishment works, hence income from letting activity ceased.

Investment income was \$8,165 (2020: \$721).

Other income received was \$9,048,036, which relates to the gain on part disposal the freehold property.

All restricted funds received were granted to World ORT in the year. As an illustration, the following were the restricted funds received and granted. The activities change from year to year, therefore straight comparatives are not always possible.

In the past year, beneficiary charities achieved the following:

		2021	2020
Activity	Region	\$	\$
Israel - Network of owned schools	Israel	-	258,997
Latin America programs	Latin America	-	3,289
France development	Western Europe	-	32,352
Wingate Seminar Students worldwide	Students worldwide	23,333	22,727
Maker Space and Project Base	Russia	62,928	-
Kfar Silver Infrastructure	Israel	34,722	-
		120,983	317,365

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.

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(CONTINUED)
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As well as focusing on our ongoing needs in Israel and the countries of the Former Soviet Union our donors have supported us in areas relating to the Coronavirus pandemic. As all our schools across our global network moved to virtual learning we campaigned to support the need to ensure that all students had access to technology for remote learning. Our donors also supported our schools as they faced economic difficulties as many families were unable to pay school fees thus jeopardising the schools' operational costs.

Charitable fundraising continued to be impacted in 2021 by the effects of the Coronavirus pandemic where donors and foundations resources were often withdrawn, reduced or directed in other areas. We anticipate this trend will not be continued in 2022 however, the crisis in Ukraine has certainly focussed considerable donations in that area. World ORT has significant operations in the region and in 2022 is working hard to raise funds to support those in need. Certain, other global priorities may indeed take a back seat in 2022 as prominence is rightly given to the tragic situation in Ukraine. The plan to reopen New ORT House at the end of 2022 will be a welcome opportunity to restart rental income within an even more desirable office building in a much sought-after locale. Funds raised from the redevelopment of New ORT House will ultimately be reinvested into World ORT global projects to continue to serve our beneficiaries around the world.

Financial review

World Ort Trust has maintained its healthy financial position, with closing fund balances amounting to \$18,943,674 (2020: \$16,944,931) of which \$200 (2020: \$200) relate to restricted funds.

The Charity made a surplus before other recognised gains and losses of \$9,136,812 (2020: \$442,968)

The total expenditure on charitable activities as a proportion of income (excluding activities for generating funds and the defined benefit scheme) was 5.2%. Upon elimination of the net income received on the part disposal of the property of \$9,048,036 the total expenditure on charitable activities as a proportion of income is 84.4% (2020: 65.2%).

The valuation of the defined benefit pension scheme at 31 December 2021 has a funding deficit of \$392,589 (2020: \$725,000)

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

Restricted funds: the Charity transfers the restricted funds received to World ORT according to the instructions from the donor. Restricted reserves comprise revenue and expenditure relating to specific donations made by individuals which are then passed onto World ORT to fulfil programmes.

Unrestricted funds: the Charity grants these funds to World ORT in line with the annual plan. Unrestricted reserves comprise net income generated from letting of the Charity's building and donations made for general charitable purposes.

Unrestricted funds comprise a land and building revaluation reserve of \$6,771,471, a deficit on the pension fund of \$392,589 and general unrestricted funds of \$12,564,592.

World ORT Trust owns the freehold to its head office, New ORT House. Movements on fixed assets are set out in note 13 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 2021 which has resulted in a revaluation reserve of \$6,771,471. The value of the land and buildings as at 31 December 2021 stands at \$9,106,731 and this proportion of the fund can only be realised by disposing of the freehold land and buildings.

The year's reserves have increased by \$1,998,743 and the unrestricted funds have increased to \$18,943,474. It is the policy of the Charity to donate the net surplus generated from the letting activity to World ORT to fund its projects worldwide. The plans for the funds are to reinvest part of the proceeds to into the newly refurbished modern office building, 147 Arlington Road, part for its own occupation and part to generate an annuity income for the charity. The surplus proceeds realised, over and above the cost of the refurbishment of the retained 147 Arlington Road building, were planned to be used first to the settlement of the outstanding pension liabilities of the charity and then assist World ORT with its finances, towards their aligned aims and objectives.

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FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves policy and going concern

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between six and twelve month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The accounts for the year ended 31 December 2021 show general unrestricted reserves of \$12,172,003. This higher level of reserves is due to the timing of funds received on the part disposal of the property. Funds were received towards the end of 2021, which will be expended over the upcoming financial year 2022, on our usual charitable activities.

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:

- Maintaining the building to a commercially attractive standard.
- 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 licence fee revenue	Number of tenants	
	2021	2020
under \$50,000 per annum	11	11
\$51,000 - \$100,000 per annum	-	-
over \$100,000 per annum	1	1
	12	12

(2) ORT UK contributed 76% of donations in 2021 and the Trustees expect it to remain a significant donor in 2022 and 2023.

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.

(3) The defined benefit pension scheme has a funding deficit of \$392,589. The Trustees have passed a resolution to settle the deficit from the proceeds of the property sale.

The Trustees closed the scheme to new members in 1999. It had no active members at the end of 2021. The last member is due to retire in 2028.

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Plans for future periods

The property New ORT House will remain central to World Ort Trusts future plans as it will welcome back the staff from World ORT at the close of 2022 as well as making available approximately 7,000 sq. ft to be rented out to previous and/or new tenants at a market rate superior to that held prior to the rebuild and renovations.

The focus on maximising funds for designated and undesignated purposes from ORT UK will continue, as ORT UK is the main provider of funds from individual donors and philanthropic foundations to World Ort Trust in the UK. The close working relationship between World ORT staff and ORT UK staff mean they are provided with all necessary resources to carry out their fundraising endeavours.

Regarding the liability of the pension scheme, we have negotiated a buy-out with Aviva, which should be completed within 2023.

Structure, governance and management

The Charity is constituted under a Memorandum And Articles Of Association Incorporated On 14 September 1994 as amended by Special Resolution on 17 October 1994 and 30 October 2000 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.

History

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Lady I Hatter

Mr R M Hatter

Mr A I Brittan

(Resigned 20 May 2021)

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.

Lady I Hatter and Mr R M Hatter are related by marriage.

Recruitment, appointment and terms of office of 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 Trustees are looking to appoint new trustees in the coming year.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

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(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

The day-to-day decisions of the Charity are taken by the Chief Financial Officer, Mr H Grumet. 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.

Arrangements for setting the pay and remuneration for the key management personnel

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.

The three employees referred to in note 11 are mainly concerned with the letting activity. Staff pay will be reviewed per staff contracts. In view of the nature of the Charity, the Trustees will normally benchmark against pay levels in other charities of similar size.

Affiliate organisations and related parties

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 financial statements for World ORT are in US Dollar and accordingly the Trustees believe that presenting its accounts in US Dollar is beneficial in accounting for the Charity's finances and obligations, given the global nature of World ORT's activities, the Charity's contributions to these activities, and the Charity's position within the World ORT's group of charities.

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 5. No trustee receives any remuneration for their duties in either organisation. There is no shared management between the two charities.

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>

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the year, \$145,000 (2020: \$290,000) was charged to World ORT in relation to rental income from the letting of ORT House. As at 31 December 2021, \$213,810 (2020: \$191,975) was due to World ORT. World Or Trust is a wholly owned subsidiary of World ORT.

During the year, \$165,746 was paid to Epsilon Real Estate Partners Limited, for project management in relation to the development and refurbishment of New Ort House. As at 31 December 2021, \$7,392 was due to Epsilon Real Estate Partners Limited. A company that is related by virtue of the Trustee Mr R M Hatter also being one of directors and shareholder.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor

RDP Newmans LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

The Trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Mr R M Hatter

Trustee

17 August 2022

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of World Ort Trust for the purpose 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 must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WORLD ORT TRUST

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORLD ORT TRUST

Opinion

We have audited the financial statements of World Ort Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic 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; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

WORLD ORT TRUST

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORLD ORT TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the Trustees, who are also the directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charity Commission Regulations, Charities Act 2011, Statement of recommended practice (SORP FRS102), taxation legislation and data protection, anti-bribery and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

WORLD ORT TRUST
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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF WORLD ORT TRUST

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed and tested journal entries to identify unusual transactions and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing and agreeing financial statement disclosures and testing to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and bankers.
- reviewing minutes of board meetings.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF WORLD ORT TRUST**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Paresh Radia FCA (Senior Statutory Auditor)
for and on behalf of RDP Newmans LLP**

17 August 2022

**Chartered Accountants
Statutory Auditor**

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$	Unrestricted funds 2020 \$	Restricted funds 2020 \$	Total 2020 \$
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	263,555	120,983	384,538	407,056	317,365	724,421
<u>Charitable activities</u>							
Income from letting activity	4	206,928	-	206,928	547,128	-	547,128
Investments	5	8,165	-	8,165	721	-	721
Other income	6	9,048,036	-	9,048,036	-	-	-
Total income		9,526,684	120,983	9,647,667	954,905	317,365	1,272,270
<u>Expenditure on:</u>							
Charitable activities	7	384,992	120,983	505,975	512,137	317,165	829,302
Other	12	4,880	-	4,880	-	-	-
Total resources expended		389,872	120,983	510,855	512,137	317,165	829,302
Net incoming resources		9,136,812	-	9,136,812	442,768	200	442,968
<u>Other recognised gains and losses</u>							
Revaluation of tangible fixed assets		(7,376,959)	-	(7,376,959)	-	-	-
Actuarial gain/(loss) on defined benefit pension schemes		238,890	-	238,890	(147,420)	-	(147,420)
Net movement in funds		1,998,743	-	1,998,743	295,348	200	295,548
Fund balances at 1 January 2021		16,944,731	200	16,944,931	16,649,383	-	16,649,383
Fund balances at 31 December 2021		18,943,474	200	18,943,674	16,944,731	200	16,944,931

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 \$	\$	2020 \$	\$
Fixed assets					
Tangible assets	13	9,106,731		17,816,390	
Current assets					
Debtors	15	428,771		102,860	
Cash at bank and in hand		10,599,447		937,647	
		<u>11,028,218</u>		<u>1,040,507</u>	
Creditors: amounts falling due within one year	16	<u>(798,686)</u>		<u>(1,186,966)</u>	
Net current assets/(liabilities)		10,229,532		(146,459)	
Total assets less current liabilities		<u>19,336,263</u>		<u>17,669,931</u>	
Net assets excluding pension liability		19,336,263		17,669,931	
Defined benefit pension liability	17	(392,589)		(725,000)	
Net assets		<u>18,943,674</u>		<u>16,944,931</u>	
Income funds					
Restricted funds	18	200		200	
<u>Unrestricted funds</u>					
General unrestricted funds	19	12,172,003		2,796,301	
Revaluation reserve		<u>6,771,471</u>		<u>14,148,430</u>	
		18,943,474		16,944,731	
		<u>18,943,674</u>		<u>16,944,931</u>	

The financial statements were approved by the Trustees on 17 August 2022

Mr R M Hatter
Trustee

Company Registration No. 02967916

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Notes	\$	\$	\$	\$
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24	(681,179)		614,989	
Investing activities					
Purchase of tangible fixed assets		(1,296,095)		(136,346)	
Proceeds on disposal of tangible fixed assets		11,630,909		-	
Investment income received		8,165		721	
Net cash generated from/(used in) investing activities		10,342,979		(135,625)	
Net cash used in financing activities		-		-	
Net increase in cash and cash equivalents		9,661,800		479,364	
Cash and cash equivalents at beginning of year		937,647		458,283	
Cash and cash equivalents at end of year		10,599,447		937,647	

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

World Ort Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Shield House, Harmony Way, London, NW4 2BZ, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The functional currency of the Charity is sterling. The financial statements are prepared in US Dollar, which is the presentation currency of the charity because this is the operating currency of World ORT group. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings - buildings	2% per annum on cost
Freehold land and buildings - building improvements	10% - 20% per annum on cost
Fixtures, fittings and equipment - fixtures and fittings	20% per annum on cost
Fixtures, fittings and equipment - computer equipment	33% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.12 Foreign exchange

Transactions in currencies other than US Dollar are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the Statement of Financial Activities.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

Retirement benefit schemes

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

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

The key assumptions are detailed in Note 17.

Freehold property valuations

The fair value of the freehold property recognised in freehold land and buildings is appraised regularly by management.

These accounting judgements are inherently complex and require a high level of management judgement and specialist input by external surveyors of the value of the property.

The underlying assumptions are explained in more detail in the accounting policies on tangible fixed assets and in note 13.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	\$	\$	\$	\$	\$	\$
Donations and gifts	238,808	120,983	359,791	369,498	317,365	686,863
Coronavirus Job Retention Scheme grant	24,747	-	24,747	37,558	-	37,558
	<u>263,555</u>	<u>120,983</u>	<u>384,538</u>	<u>407,056</u>	<u>317,365</u>	<u>724,421</u>

4 Charitable activities

	Income from letting activity 2021 \$	Income from letting activity 2020 \$
Charitable rental income	<u>206,928</u>	<u>547,128</u>

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	\$	\$
Interest receivable	8,165	721
	<u> </u>	<u> </u>

6 Other income

	Unrestricted funds	Total
	2021	2020
	\$	\$
Net gain on disposal of tangible fixed assets	9,048,036	-
	<u> </u>	<u> </u>

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	Unrestricted Charitable Expenditure 2021 \$	Restricted Charitable Expenditure 2021 \$	Unrestricted Letting activities 2021 \$	Total 2021 \$	Unrestricted Charitable Expenditure 2020 \$	Restricted Charitable Expenditure 2020 \$	Unrestricted Letting activities 2020 \$	Total 2020 \$
Staff costs	35,067	-	88,029	123,096	24,246	-	103,509	127,755
Depreciation	-	-	41,042	41,042	-	-	36,899	36,899
Building maintenance	-	-	259,644	259,644	-	-	239,203	239,203
Foreign exchange gain	-	-	(175,810)	(175,810)	-	-	(19,302)	(19,302)
Governance audit fees	32,161	-	-	32,161	38,591	-	-	38,591
Legal and professional	71,167	-	-	71,167	50,147	-	-	50,147
Sundry	194	-	-	194	74	-	-	74
Office and travel	27,260	-	-	27,260	12,057	-	-	12,057
Foreign exchange loss	-	-	2,029	2,029	-	-	5,399	5,399
Bad debts	-	-	4,209	4,209	-	-	-	-
	<u>165,849</u>	<u>-</u>	<u>219,143</u>	<u>384,992</u>	<u>125,115</u>	<u>-</u>	<u>365,708</u>	<u>490,823</u>
Grant funding of activities (see note 8)	-	120,983	-	120,983	21,314	317,165	-	338,479
	<u>165,849</u>	<u>120,983</u>	<u>219,143</u>	<u>505,975</u>	<u>146,429</u>	<u>317,165</u>	<u>365,708</u>	<u>829,302</u>
Analysis by fund								
Unrestricted funds	165,849	-	219,143	384,992	146,429	-	365,708	512,137
Restricted funds	-	120,983	-	120,983	-	317,165	-	317,165
	<u>165,849</u>	<u>120,983</u>	<u>219,143</u>	<u>505,975</u>	<u>146,429</u>	<u>317,165</u>	<u>365,708</u>	<u>829,302</u>

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

8 Grants payable

	Unrestricted Charitable Expenditure 2021 \$	Restricted Charitable Expenditure 2021 \$	Total 2021 \$	Unrestricted Charitable Expenditure 2020 \$	Restricted Charitable Expenditure 2020 \$	Total 2020 \$
Grants to institutions: World ORT	-	120,983	120,983	21,314	317,165	338,479

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:	2021 \$	2020 \$
Audit of the charity's annual accounts	22,666	27,273

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year, nor were any expenses reimbursed to them (2020: \$nil).

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration	1	1
Tenant and building support	1	2
Total	2	3

Employment costs	2021 \$	2020 \$
Wages and salaries	80,752	95,100
Social security costs	7,277	8,409
Other pension costs	35,067	24,246
	123,096	127,755

There were no employees whose annual remuneration was more than £60,000.

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 Other

	Unrestricted funds	Total
	\$	\$
	2021	2020
Net loss on disposal of tangible fixed assets	4,880	-
	<u>4,880</u>	<u>-</u>

13 Tangible fixed assets

	Freehold land and buildings - buildings	Fixtures, fittings and equipment - fixtures and fittings	Total
	\$	\$	\$
Cost or valuation			
At 1 January 2021	17,880,135	283,614	18,163,749
Additions	1,296,095	-	1,296,095
Disposals	(2,640,023)	(283,614)	(2,923,637)
Revaluation	(7,376,959)	-	(7,376,959)
At 31 December 2021	<u>9,159,248</u>	<u>-</u>	<u>9,159,248</u>
Depreciation and impairment			
At 1 January 2021	68,625	278,734	347,359
Depreciation charged in the year	41,042	-	41,042
Eliminated in respect of disposals	(57,150)	(278,734)	(335,884)
At 31 December 2021	<u>52,517</u>	<u>-</u>	<u>52,517</u>
Carrying amount			
At 31 December 2021	<u>9,106,731</u>	<u>-</u>	<u>9,106,731</u>
At 31 December 2020	<u>17,811,510</u>	<u>4,880</u>	<u>17,816,390</u>

Land and buildings were revalued at 31 December 2021 by Colliers International Valuation UK LLP, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately \$1,257,522 (2020 - \$3,402,107).

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

14 Financial instruments	2021	2020
	\$	\$
Carrying amount of financial assets		
Debt instruments measured at amortised cost	396,338	64,898
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	741,589	1,064,138
	<u> </u>	<u> </u>
15 Debtors	2021	2020
	\$	\$
Amounts falling due within one year:		
Trade debtors	6,913	38,333
Amounts owed by participating interests	52,139	25,329
Other debtors	168,643	1,236
Prepayments and accrued income	32,433	37,962
	<u> </u>	<u> </u>
	260,128	102,860
	<u> </u>	<u> </u>
	2021	2020
	\$	\$
Amounts falling due after more than one year:		
Other debtors	168,643	-
	<u> </u>	<u> </u>
Total debtors	<u>428,771</u>	<u>102,860</u>
	<u> </u>	<u> </u>
16 Creditors: amounts falling due within one year	2021	2020
	\$	\$
Other taxation and social security	57,097	122,828
Trade creditors	392,050	62,910
Amounts owed to fellow group undertakings	213,810	191,975
Other creditors	45,280	629,435
Accruals and deferred income	90,449	179,818
	<u> </u>	<u> </u>
	798,686	1,186,966
	<u> </u>	<u> </u>

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was \$831 (2020 - \$5,136).

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

17 Retirement benefit schemes

(Continued)

Defined benefit schemes

World Ort Trust operate a defined benefit scheme known as the ORT Retirement Benefit Plan which is administered by a third party. The scheme was established on 14 February 1974 and was closed to new members with effect from 1 November 1999. The assets of the scheme are held separately to those of the Charity.

In the current accounting year there were no active members. The valuation used has been based on the most recent actuarial valuation at 1 January 2018 and was updated by the actuary, ISIO Group Limited, to take account of the requirements of FRS102 in order to assess the liabilities of the scheme at December 2020 and December 2021. Scheme assets are stated as 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.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages).

Key assumptions

	2021	2020
	%	%
Discount rate	1.8	1.3
Expected rate of salary increases	0	0
Inflation assumption	3.25	2.90
CPI pension escalation	2.75	2.40
Allowance for commutation for cash at retirement	10	10
	<u> </u>	<u> </u>

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2021	2020
	Years	Years
Retiring today		
- Males	21.6	22.5
- Females	24.1	24.8
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	22.9	24.1
- Females	25.5	26.5
	<u> </u>	<u> </u>

Amounts recognised in the Statement of Financial Activities

	2021	2020
	\$	\$
Current service cost	-	1,365
Net interest on defined benefit liability/(asset)	9,627	13,650
Other costs and income	19,254	4,095
	<u> </u>	<u> </u>
Total costs	28,881	19,110
	<u> </u>	<u> </u>

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

17 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2021	2020
	\$	\$
Actual return on scheme assets	55,012	(176,085)
Less: calculated interest element	23,380	28,665
	<u>78,392</u>	<u>(204,750)</u>
Return on scheme assets excluding interest income	(357,578)	352,170
Actuarial changes related to obligations	40,296	-
Exchange differences	<u>(238,890)</u>	<u>147,420</u>

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2021	2020
	\$	\$
Present value of defined benefit obligations	2,124,833	2,357,000
Fair value of plan assets	(1,732,244)	(1,632,000)
	<u>392,589</u>	<u>725,000</u>

Movements in the present value of defined benefit obligations:

	2021
	\$
Liabilities at 1 January 2021	2,357,000
Benefits paid	(22,005)
Actuarial gains and losses	(357,578)
Interest cost	33,007
Exchange differences	114,409
	<u>2,124,833</u>
At 31 December 2021	<u>2,124,833</u>

WORLD ORT TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

17 Retirement benefit schemes

(Continued)

Movements in the fair value of plan assets:

	2021
	\$
Fair value of assets at 1 January 2021	1,632,000
Interest income	23,380
Return on plan assets (excluding amounts included in net interest)	(78,392)
Benefits paid	(22,005)
Contributions by the employer	122,402
Exchange differences	74,113
Other	(19,254)
	<u>1,732,244</u>
At 31 December 2021	<u>1,732,244</u>

The fair value of plan assets at the reporting period end was as follows:

	2021	2020
	\$	\$
Aviva - Deferred Allocation Funding With-Profits policy	1,462,424	708,275
Cash and Cash equivalents	12,142	574,103
Aviva - Value for Guaranteed Annuity Options	257,678	349,622
	<u>1,732,244</u>	<u>1,632,000</u>

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	\$	\$	\$	\$	\$	\$
Restricted funds	<u>317,365</u>	<u>(317,165)</u>	<u>200</u>	<u>120,983</u>	<u>(120,983)</u>	<u>200</u>

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19 Unrestricted funds

The income funds of the charity include unrestricted funds:

	Movement in funds			Movement in funds					
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$
General unrestricted funds	3,197,297	807,485	(512,137)	2,796,301	9,765,574	(389,872)	-	-	12,172,003
Revaluation reserve	14,148,430	-	-	14,148,430	-	-	(8,907,829)	1,530,870	6,771,471
	<u>17,345,727</u>	<u>807,485</u>	<u>(512,137)</u>	<u>16,944,731</u>	<u>9,765,574</u>	<u>(389,872)</u>	<u>(8,907,829)</u>	<u>1,530,870</u>	<u>18,943,474</u>

Revaluation reserve of \$8,907,829 was transferred upon part disposal of the freehold land and building. The remaining part of the land and building was revalued upward by \$1,530,870.

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20 Analysis of net assets between funds

	Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$	Unrestricted funds 2020 \$	Restricted funds 2020 \$	Total 2020 \$
Fund balances at 31 December 2021 are represented by:						
Tangible assets	9,106,731	-	9,106,731	17,816,390	-	17,816,390
Current assets/ (liabilities)	10,229,332	200	10,229,532	(146,459)	-	(146,459)
Provisions and pensions	(392,589)	-	(392,589)	(725,000)	-	(725,000)
	<u>18,943,474</u>	<u>200</u>	<u>18,943,674</u>	<u>16,944,931</u>	<u>-</u>	<u>16,944,931</u>

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 \$	2020 \$
Within one year	<u>26,461</u>	<u>-</u>

The total for operating lease payments recognised as an expense in the year is \$9,624.

22 Related party transactions

The Trustees of the Charity are considered to be key management personnel. Total remuneration in respect of these individuals is given in note 10.

During the year, \$145,000 (2020: \$290,000) was charged to World ORT in relation to rental income from the letting of ORT House. As at 31 December 2021, \$213,810 (2020: \$191,975) was due to World ORT. World Ort Trust is a wholly owned subsidiary of World ORT.

During the year, \$165,746 was paid to Epsilon Real Estate Partners Limited, for project management in relation to the development and refurbishment of New Ort House. As at 31 December 2021 \$7,392 was due to Epsilon Real Estate Partners Limited. A company that is related by virtue of the Trustee Mr R M Hatter also being one of directors and shareholder.

23 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.

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24	Cash generated from operations	2021	2020
		\$	\$
	Surplus for the year	9,136,812	442,968
	Adjustments for:		
	Investment income recognised in statement of financial activities	(8,165)	(721)
	Net gain on disposal of tangible fixed assets	(9,043,156)	-
	Depreciation and impairment of tangible fixed assets	41,042	36,899
	Difference between pension charge and cash contributions	(93,521)	(117,779)
	Movements in working capital:		
	(Increase) in debtors	(325,911)	(30,236)
	(Decrease)/increase in creditors	(388,280)	283,858
	Cash (absorbed by)/generated from operations	(681,179)	614,989
		<hr/>	<hr/>
25	Analysis of changes in net funds		
	The charity had no debt during the year.		