



World ORT

Consolidated Report and Financial Statements

Year ended 31 December 2021

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Company secretary and registered office

Rivka Weston, 1, Rue De Varembe, CH-1211 Genève 20, Switzerland.

Administration Address

126 Albert Street, London, NW1 7NE, United Kingdom.

Auditor Ernst & Young, 144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Banker UBS AG, case Postale 2770, CH-1211 Genève 2, Switzerland.

Solicitor Professeur François Bellanger, 8-10 Ruse de Hesse, CP-5715, 1211 Genève
11, Switzerland.

The Trustees of World ORT present their annual report for the year ended 31 December 2020. Trustees with specific functions are termed "officers".

Officers

Non-Executive

President	Dr. Conrad Giles
Deputy Presidents	Simon Alberga Judy Menikoff
Chairman of the Board of Trustees	Robert Singer
Treasurer	Lawrence Wolfe
Secretary & Deputy Chair	Robert Taub

Executive

Director General	Dan Green
Chief Financial Officer and Company Secretary	Hadas Grumet

Other

Chair of the Risk Committee	Robert Grey
Chair of the Finance & Audit Committee	Yorai Linenberg
Chair of the Investment Committee	Marc de Gunzburg

The responsibility for the financial statements lies with the Board of Trustees.

Trustees' responsibilities

The Trustees of World ORT are responsible for the preparation of the Financial statements for each financial year which give a true and fair view of the organisation's income and expenditure during the year and of its state of affairs at the end of the year. In preparing these Financial statements they are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures being disclosed and explained in the financial statements;
- prepare the Financial statements on the going concern basis unless it is inappropriate to assume that the organisation will continue in business.

The responsibilities of the Trustees include keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the organisation. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other breaches of law and regulations.

Status of World ORT group

World ORT is a not-for-profit organisation registered with the Registry of Commerce in Geneva and whose registered address is:

1 Rue de Varembé, CH-1211 Genève 20, Switzerland.

Who we are

ORT is a global education network driven by Jewish values. We are passionate about unleashing the potential of young people so they can lead fulfilling lives and have a positive impact on the world around them. Since our foundation in 1880, ORT has been transforming lives through training and education. From focussing on teaching 19th century Russian Jews essential trades and professions, we have evolved to provide the creativity, employability and entrepreneurial skills for the 21st century to empower people and strengthen communities.

Our network now reaches some 200,000 people a year, in 35 countries, and is one of the largest educational networks in the world with a unique global reach. We provide a combination of high-level science and technology education with Jewish values to bridge the gap between ability and opportunity and to ensure Jewish continuity worldwide.

Why we are needed and our aims

World ORT is the central umbrella body that coordinates the federated network of National ORT Organizations worldwide.

The ORT network has always been driven by Jewish values. Our projects promote Tikkun Olam and social responsibility, reconnecting communities with their Jewish roots through our inclusive schools and colleges

ORT's mission is to place the future in the hands of the next generation. Our focus on STEM, problem-solving, critical thinking and communication empowers students with knowledge and expertise to fulfil their potential.

Our global education network reaches across borders to benefit students, educators and communities. The ORT family creates a sense of belonging where we can all learn from each other's passion and perspective

World ORT's vision is a world in which individuals and communities flourish through the provision of high quality education, training and professional development programs that incorporate Jewish values and culture, and which enables our beneficiaries to succeed and achieve to their full potential in employment, community leadership, and social and economic entrepreneurship.

What we do and where we work

We provide leadership and support to the global ORT network in achieving the vision of flourishing individuals and communities by working to identify, develop and share good practice; by engineering excellence in the delivery of programs; and by fostering collaboration to increase both program quality and the numbers of individuals and communities reached.

World ORT facilitates, encourages and supports this work directly and through its global network of affiliated National Organizations, helping National ORT Organizations to innovate and excel in delivering impactful projects and programs, while at the same time respecting the autonomy and independence of each National Organization.

In 2021, ORT programmatic activities covered the following principle geographic locations:

<u>Former Soviet Union</u>	<u>Americas</u>	<u>Europe & Rest of World</u>
- Russia	- USA	- South Africa
- Ukraine	- Canada	- Bulgaria
	- Argentina	- France
- Kyrgyzstan		- Italy
- Moldova	- Brazil	- India
- Latvia	- Colombia	- Israel
- Estonia	- Uruguay	- Czech Republic
- Lithuania	- Mexico	- India
- Belarus	- Chile	- Spain
	- Peru	
		- United Kingdom
	- Cuba	- Singapore
	- Panama	- Ghana
		- Greece
		- Albania

Fundraising remains central to the continued success of our activities and is performed by World ORT and by the affiliate national organisations in various countries. Fundraisers have a catalogue of World ORT projects to show potential donors. Their success depends on a number of factors including the economic environment and donor's life cycle.

In 2021 all schools, colleges and training centres have been seriously affected by COVID with a lot of teaching moved to on-line learning and some of the projects with travels involved have been either cancelled or postponed. World ORT COVID Emergency fundraising appeal helped ORT schools and their communities to adjust the pedagogic practices and social support during this difficult year.

Projects are not commenced until funding has been secured or there is reasonable certainty of funding and project activity can be cyclical. World ORT has managed to smooth these effects by entering into partnerships with national and local governments where possible.

Each relationship with a government body is defined by the relevant contract and accounted for accordingly.

What we did in 2021

The year's **Education department programming** was disrupted again by Covid, and additional pressures on staff and students together with restrictions on international travel meant that alternative plans were needed for many projects.

Online events such as the Holocaust Memorial Day webinar ceremony in January gave students in several countries the opportunity to speak with a survivor, to commemorate not only the tragic losses but also the resilience of those that stood up to oppression.

ORT Day in May, was also delivered online allowing students across the network to learn more about the history of the organisation, to connect with each other and to celebrate its achievements. Lesson materials were prepared, together with global masterclasses, a global quiz and a social media campaign.

The Taub Young Entrepreneurship Program (YEP) was delivered again to over 200 students from seventeen schools across two cohorts. The winners from the northern hemisphere schools' June final were the team from Rome, who devised an app that works with QR code stickers to create a virtual lost and found centre. The winners from the southern hemisphere schools' final in November were the team from Argentina who created a smart system for making municipal garbage collections more efficient.

A new Jewish Education curriculum was commissioned from Lookstein Institute at Bar Ilan University in Israel following consultation with ORT's Jewish educators across the network. Due for release in Fall 2022, the curriculum and training courses will support teachers in developing thinking skills in high school students based on a range of Jewish textual sources.

A new program, introducing Global Citizenship Education to ORT schools began development. The program aims to offer opportunities for ORT students to learn about global issues, develop new skills and support them to become more active in solving local and global challenges. Teachers will receive training in new types of learning including supporting students' social and emotional development and conflict resolution. The program will also offer regular online events for global discussion and collaboration.

The LEAD program, held virtually for the second time, trained mid-level/senior educators from across the ORT network to lead and manage in an era of change. Over five online sessions, we also introduced Focus for Change projects; an integral component designed to provide delegates with opportunities to apply what they have learned to practical challenges at their respective schools. The 2020-21 cohort (21 educators from 12 countries) graduated in April, while the 2021-22 cohort (21 educators from 12 countries) began their LEAD journey in November.

Due to restrictions on international travel, we developed a new Virtual Summer School model offering two week-long timetables of activities for ORT high school students during their August vacations. Working together with World ORT staff in Israel, we ran short introductory courses in 3D game design, Cyber security, Digital animation, App development and User Interface design free of charge for ORT students around the world.

The Virtual Volunteers program, a response to the first COVID lockdown, which connected English-speaking volunteers to ORT students – particularly in Israel, Russia and Ukraine - who wanted to practice conversational English, continued on a weekly basis throughout the year.

Two virtual Educators Forums were held in October and November, each with more than 30 educators from 17 countries. The aim was to provide a platform for sharing experiences and ideas of how World ORT can address, as a network, the major challenges facing schools. The first session dealt with closing the learning gaps that had opened up over the last 18 months, and the second dealt with the mental health impact of the pandemic on students and staff.

The Education department trialled a new student newspaper, launched in December, to improve peer to peer communication between students in different ORT schools. The project known as *Ma Koreh?* involved collecting articles from students around the world and editing them together into an online newspaper format.

World ORT Awards

The Gina and Joseph Harmatz Award for Social Responsibility had 13 submissions from five countries which demonstrated student projects that have made an outstanding contribution to communities in need.

The STEM Communication Award received 39 submissions from students explaining a range of complex STEM issues in video format. Students submitted 5-10 minutes videos which demonstrate talent for communication by conveying understanding of a specific STEM concept to a non-specialist audience.

The Jewish Animations Competition received video submissions integrating Jewish education with technology through the creation of animations and mixed media productions connected to Jewish texts. There were nine finalists and the overall winner from Russia retold the story of 'The Origins of Hanukkah'.

World ORT continues to develop and support web educational project projects such as:

- a. Music and the Holocaust
- b. Russian Jewish Encyclopaedia
- c. ORT in DP camps
- d. ORT Historical Archive – officially launched in May 2021.

Project Implementation in operational countries

World ORT and ORTs in the countries of the former Soviet Union (FSU) continue to run ongoing operations across 16 ORT and affiliated Jewish schools, training centres for adults and in Research, Development & Education. In 2021, an extended STEM campaign, launched in 2017, was continued in 16 Jewish schools in the network with direct funding provided by one of our donors for a five-year period. ORT also continues to provide social support for students, pay stipends to the teachers and run extra-curricular activities such as Shabbatons, networking projects and competitions.

The Heftsiba programme, which sends teachers from Israel to ORT schools in FSU and Baltic States for an academic year, continued in 2021 with some restrictions due to COVID outbreak. This programme is funded by the Israel Ministry of Education. ORT provides administrative support and educational continuity.

With funds granted by the Caterpillar Foundation World ORT and ORT Russia run innovation STEM projects in ORT and not-ORT schools. The project commenced in 2021 and extended to 2022.

World ORT provides ongoing support to the Jewish schools and communities in Russia thanks to donations from IFCJ, JFNA, and individual local and international donors.

World ORT International Cooperation programmes

Refugee Women Empowerment Program in Greece: ORT established a partnership with the Irida Women's Center in 2021 to support the Syrian and Afghan refugee women and children as well as Africans and other nationalities fleeing to northern Greece.

The project is designed to equip the women of the refugee community with tools to process their trauma & vulnerabilities in a trauma-informed setting, be aware of their rights, and feel confident to contribute meaningfully to the host community; and protect, empower, and support refugee, asylum-seeking, and migrant women to become self-reliant, regain ownership of their lives, & grow into agents of change for themselves at first, their families, and communities at large.

Afghan Community Digitization Pathway & Entrepreneurship Program in Albania: In 2021, ORT conducted an in-depth needs assessment in Albania to design an educational and vocational programming to help prepare the Afghan teens and adults for successful employment and integration experiences when they eventually receive visas to resettle in the U.S. and Canada over the next few years. The assessment identified two job skill domains in great demand by Afghan teens and adults: English as a Second Language training and digital literacy

Ghana: STEM Education for girls and women. In partnership with Nduom Community Library and Coconut Grove Hotel, ORT has established a dynamic technology learning hub in Elmina, Ghana that is open and accessible to the community. With funding from UNESCO, ORT leveraged the technology learning hub and its resources by implementing a model of STEM-focused flexible online learning support for more than 100 girls in need.

World ORT's operations in Israel:

WOKM is working with the Israeli government and local municipalities throughout the country to improve standards in schools through programs coordinated by educational specialists based at World ORT Kadima Mada in Israel and with the backing, support and experience of World ORT specialists worldwide.

Kfar Kanna, Kfar Zeitim and Kadoori High School joined the Kadima Mada Network of affiliate schools in 2021, and Hodayot left the network in September 2020. Kfar Silver, the World ORT owned boarding school in Israel, serves as a "last stop" for some of the most disadvantaged youth in Israel who, without special intervention, are at risk of failing academically and socially. WOKM is helping both Kfar Silver and the affiliate schools to implement various pedagogical initiatives, providing them with new and innovative educational equipment, cutting-edge pedagogical programs, state-of-the-art science, and technology laboratories.

Two former network schools, Levinson High School and Rabin High School in Kiryat Yam have benefitted from a raft of new innovations in pedagogy and new investment to ensure that students, many of whom are from deprived backgrounds, have an equal and even a better chance to reach their full potential.

We monitor our impact on the schools we are involved in. The table below highlights the improvements, based on the latest official figures, on the previous year:

% change since last year	Kfar Silver
Matriculation Rate % improvement	12%
Increase in % completing 4+ units Maths	5%
Increase in % completing 4+ units English	10%
2021 Matriculation rate	97%

World ORT YOUiversity Centres of Excellence

We provide the opportunity to succeed for students in under-served communities in Israel. The World ORT YOUiversity Centres of Excellence in Israel enables underprivileged children to gain access to after-school educational enrichment opportunities in STEM subjects never before available in their communities. The Centres of Excellence serve students in Israel's geographic and socio-economic peripheries cover:

- Dimona and Beer Sheva in the south.
- Nahariya, Western Galilee, Eastern Galilee, Kiryat Yam and Safed in the north.

The centres offer students, aged 8-14, hands-on educational experiences through project-based learning using the most up-to-date innovative educational tools and methodologies. Examples of courses and activities offered at the World ORT YOUiversity Centres of Excellence include architecture, robotics, CSI forensics, entrepreneurship, fashion design, electronics, website building, digital media, 3D design and printing, photography & videography and veterinary medicine. Other clubs and programmes available include those to develop young computer technicians, chess club, young engineers, astronomy & space club, young doctors, and more.

Due to COVID-19, several centers where Kadima Mada had previously been operational did not re-open, including Kiryat Gat and Nazareth. The current focus is on Beer Sheva, Dimona, Kiryat Yam, Safed, Western Galilee and Eastern Galilee resumed full face-to-face activities. More than 7,850 students benefitted from the classes and activities offered at those YOUiversity Centres of Excellence during 2021.

Kfar Silver

Following its acquisition of Kfar Silver in 2016, World ORT continues to improve the real estate and operations of Kfar Silver Youth Village in Southern Israel. Kfar Silver had a total of 236 boarders and 517 external students this academic school year. Our involvement has dramatically impacted on the children of Kfar Silver:

<u>Kfar Silver Impact</u>	2021	2020
Day students matriculating	95%	85%
Boarding students matriculating	98%	82%

Critical Success Factors

We continue to measure our impact so that we can both learn from, adapt and improve our programmes' effectiveness and demonstrate the change that we are enabling to happen. Across our work we have developed specific impact measures - and associated outcome indicators - which are used to evaluate performance.

Our on-going learning and development culture enables us to continue to both develop our own expertise and to support partners to build theirs.

Risk Management

The trustees examine the major risks that the charity faces each financial year when preparing and updating the strategic plan.

The financial risk faced by World ORT is foreign currency risk. This is mainly due to the strengthening of the Israeli currency against the USD, which impacts the costs of World ORT's projects in Israel.

1. The financial risk is managed by
 - 1.1. As much as possible, converting donors' funds to NIS only when needed and only if the exchange rate is favourable
 - 1.2. Including a contingency in the project budget that will be used in cases of large changes in the exchange rate.

Operational risks are identified as (1) the reliance on a small number of country organisations for a large proportion of the voluntary income, (2) project management.

2. The risk of World ORT having a concentration of only a few fundraising countries or organisations. This risk is managed as follows:
 - 2.1. World ORT has direct access to certain major donors in agreement with their local country organisations.
 - 2.2. Encouraging donor country organisations to diversify their fundraising base from major individuals and family trusts to many individual small donors.
 - 2.3. Helping the operational countries to raise funds. In the first instance they attract funds from government and municipalities. Secondly, they receive parental contributions. Thirdly, they seek

third-party donations including those from major donors. This last approach has not been as successful in countries where there is not yet a culture of giving.

3. Project management risks mainly consist of (1) the deliverable benefit not being properly defined and agreed by all parties, (2) projects starting before adequate funding is secured, (3) exceeding budgeted expenditure and (4) delays to the delivery of projects and benefits. World ORT manages these risks using procedures, plans and reviews.
 - 3.1. In the case of major donors or third-party organisations, the tangible or intangible object to be delivered is agreed at the outset either through a project proposal document or a formal agreement.
 - 3.2. Projects are not started until there is certainty as to the source of funds. The Director General and the Chief Finance Officer authorise the project to start by signing a project initiation document.
 - 3.3. The finance system is designed around project management. Reports are available by project to show progress in funding, expenditure, the current project balance and the timeline to completion.
 - 3.4. Project managers turn the initial project plan into purchase orders which are then authorised by their manager.
 - 3.5. Project managers regularly review their data in the financial planning system and then any revised project timeline is authorised by their manager.
 - 3.6. Where agreed with the donors or third-party organisations, a report is submitted to them confirming that the project has been delivered and to the recipient's satisfaction.

Investment Policy

The trustees have unlimited powers of investment. The trustees delegate this responsibility to the investment committee who meet approximately three times per annum. World ORT currently does not have any investments.

Revenue for the year

Total revenue for the year from ongoing operations was USD 41 million, (2020: USD 51.5 million). Restricted project revenue from ongoing operations for the year was USD 34 million (2020: USD 44.6 million).

Results for the year

There was a total net surplus for the year of USD 4.5 million, (2020 surplus of USD 1.5 million) after any adjustment for losses on pensions benefits and gains on revaluation of land and buildings. Unrestricted funds showed a net surplus for the year of USD 3.7 million, (2020 surplus of USD: 614 thousand). Restricted funds showed a net surplus for the year of USD 791 thousand, (2020 surplus of USD: 885 thousand) due to timing differences of project revenue to expenditure.

Review of financial transactions

The financial statements, together with explanatory notes on pages 15 to 25, summarise the transactions of the organisation during the year ended 31 December 2021.



Rivka Weston

Financial Controller



Daniel Green

Director General

AUDITORS' REPORT

To the Board of Trustee of World ORT, Geneva

We have audited the accompanying consolidated statements of the financial position of World ORT, Geneva as of December 31, 2021 and 2020, and the related consolidated statements of Comprehensive Activities, changes in charitable funds and cash flows for the year then ended. These financial statements are the responsibility of World ORT, Geneva board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We did not audit the financial statements of certain subsidiaries, whose assets included in consolidation constitute approximately 46% and 45% of total consolidated assets as of December 31, 2021 and 2020, respectively, and whose revenues included in consolidation constitute approximately 20% and 2% of total consolidated revenues for the years ended December 31, 2021 and 2020, respectively. The financial statements of those subsidiaries were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for those subsidiaries, is based on the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards in Israel, including those prescribed by the Auditor's Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the board of directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of World ORT, Geneva and its subsidiaries as of December 31, 2021 and 2020, and the results of their Activities, changes in their charitable funds and cash flows for the year then ended, in conformity with International Financial Reporting Standards ("IFRS").

Tel-Aviv, Israel
October 27, 2022

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

Income statement
For the year ended 31st December 2021

World ORT

	Note	2021 Unrestricted funds US\$'000	2021 Restricted funds US\$'000	2021 Total US\$'000	2020 Total US\$'000
Revenue					
Donations, grants and projects	3a	4,548	33,063	37,611	48,363
Property	3b	87	-	87	257
Other revenue		2,128	1,334	3,462	2,910
Total revenue		6,763	34,397	41,160	51,530
Expenditure					
Direct project and charitable expenditure:					
Grants and project costs		270	33,292	33,562	44,265
Delivery costs		2,433	314	2,747	2,752
Property costs	3b	688	-	688	381
Other direct costs		303	-	303	234
Total		3,694	33,606	37,300	47,631
Other expenditure and income:					
Fundraising		554	-	554	875
Management and administration		764	-	764	1,395
Income from disposal of fixed assets	14h	(1,671)	-	(1,671)	-
Total	4	(353)	-	(353)	2,270
Total expenditure		3,341	33,606	36,947	49,901
Surplus before financial items		3,422	791	4,213	1,629
Financial income					
Interest earned		1	-	1	-
Interest paid		-	-	-	-
Investment income		23	-	23	27
Gains on investments, realised and unrealised		-	-	-	10
Total		24	-	24	37
Surplus for the year		3,446	791	4,237	1,666
Other recognised gains and losses					
Actuarial income (loss) on defined benefit pension scheme for past service costs		239	-	239	(167)
Net movement in funds		3,685	791	4,476	1,499

The notes on pages 15 to 25 form part of these Financial Statements

Balance sheet
For the year ended 31st December 2021

World ORT

	Note	2021 US\$'000	2020 US\$'000
Assets			
Non-current assets			
Property, fixtures and equipment	6	15,398	21,135
Financial assets	7	-	569
		<u>15,398</u>	<u>21,704</u>
Current assets			
Inventories		178	178
Accounts receivables	8	2,704	6,090
Cash and cash equivalents	9	24,743	10,585
Restricted Cash		221	1,287
		<u>27,846</u>	<u>18,140</u>
TOTAL ASSETS		<u>43,244</u>	<u>39,844</u>
Charitable funds and liabilities			
Charitable funds			
Restricted funds			
Restricted endowment funds		1,752	1,752
Restricted project funds		11,972	11,181
		<u>13,724</u>	<u>12,933</u>
Unrestricted funds			
General reserves		19,734	16,049
Total Charitable funds		<u>33,458</u>	<u>28,982</u>
Non-current liabilities			
Interest-bearing loans and borrowings		-	7
Net employee defined benefit liabilities		465	813
		<u>465</u>	<u>820</u>
Current liabilities			
Accounts payable	10	9,321	9,915
Interest-bearing loans and borrowings		-	127
		<u>9,321</u>	<u>10,042</u>
Total liabilities		<u>9,786</u>	<u>10,862</u>
Total charitable funds and liabilities		<u>43,244</u>	<u>39,844</u>

The notes on pages 15 to 25 form part of these Financial Statements

	2021	2020
	US\$'000	US\$'000
Cash flows from operating activities		
Net surplus	4,476	1,666
Adjustments to reconcile surplus to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation and impairment of property and equipment	797	1,083
Gain on disposal on fixed assets	(1,671)	-
Financial expenses, net	-	(37)
	<u>3,602</u>	<u>2,712</u>
Changes in asset and liability items		
Decrease in accounts receivables	3,386	1,354
Decrease in trade and other payables	(594)	(128)
Decrease in defined benefit liability	(348)	(204)
	<u>2,444</u>	<u>1,022</u>
	<u>6,046</u>	<u>3,734</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,049)	(696)
Proceeds on disposal of tangible fixed assets	11,660	-
Interest received	-	1
Investment income	-	27
Loss on disposal of subsidiaries	-	10
Change in restricted cash	1,066	(175)
Investment capital returned	569	1,544
	<u>8,246</u>	<u>711</u>
Cash flows from financing activities		
Increase/(Decrease) in borrowings	(134)	53
	<u>(134)</u>	<u>53</u>
Net increase/(decrease) in cash and cash equivalents	<u>14,158</u>	<u>4,498</u>
Cash and cash equivalents at 1 January	10,585	6,086
Cash and cash equivalents at 31 December	<u>24,743</u>	<u>10,585</u>

The notes on pages 15 to 25 form part of these Financial Statements

	Restricted funds		Unrestricted funds		Total funds
	Endowment	Projects	Revaluation Reserves	General Reserves	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2020	1,752	9,891	14,148	1,692	27,483
Surplus for the year 2020	-	884	-	782	1,666
Transfer between reserves	-	406	-	(406)	-
Pension actuarial loss	-	-	-	(167)	(167)
At 31 December 2020	1,752	11,181	14,148	1,901	28,982
Surplus for the year 2021	-	791	-	3,446	4,237
Pension actuarial loss	-	-	-	239	239
At 31 December 2021	1,752	11,972	14,148	5,586	33,458

The notes on pages 15 to 25 form part of these Financial Statements

1 Authorisation of financial statements and statement of compliance with IFRSs

The consolidated financial statements of World ORT for the year ended 31 December 2021 were authorised for issue by the trustees of World ORT on 27nd October 2022. The consolidated financial statements of World ORT have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2 Accounting policies

a. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The accounting policies that follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2021.

The consolidated financial statements have been prepared in US Dollars as this is the functional and presentational currency of the World ORT group. All values have been rounded to the nearest thousand (US\$'000) except when otherwise indicated.

Judgements and key sources of estimation and uncertainty

The preparation of financial statements requires the trustees to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying World ORT's accounting policies, the trustees have made the following judgements, assumptions and estimations which have the most significant effect on the amounts recognised in the financial statements.

- **Non-financial assets**

World ORT assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

When value in use calculations are undertaken trustees must estimate future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to reflect the present value of those cash flows.

The current carrying value of non-financial assets of \$15 million (2020: \$21 million) is not considered impaired.

- **Defined benefit pension scheme**

The valuation of the scheme assets and liabilities is subject to assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases.

World ORT retains the services of qualified actuaries to advise the trustees when making these assumptions and the current applied assumptions are in line with prevailing market benchmarks.

2 Accounting policies (continued)

b. Jurisdictions

World ORT and its subsidiaries are registered in Switzerland, Israel and the United Kingdom and are therefore subject to tax law in these jurisdictions respectively. As each entity is exempt from paying tax, no IAS 12 disclosures have to be made.

c. Basis of consolidation

The consolidated financial statements of World ORT for the year ended 31 December 2021 include four subsidiary undertakings, consolidated in full, as follows:

Subsidiaries	Country	Status
World ORT Trust	United Kingdom	Wholly owned
Kfar Silver Youth Village	Israel	Wholly owned
World ORT Kadima Mada	Israel	Effective control *

*World ORT owns 49% of World ORT Kadima Mada. The remaining 51% of the shares are held in trusteeship equally by seven independent, unrelated shareholders. The shares were transferred to the trustees on 4 May 2012. World ORT considers that it has effective control with this share structure and benefits from an independent oversight. World ORT has input and oversight on the appointment of World ORT Kadima Mada senior staff. The World ORT Kadima Mada budgets are approved by World ORT.

There is no minority interest in World ORT Kadima Mada as there are no permanent assets and no free reserves. The ownership represented by the shares is non-beneficial.

The consolidated financial statements contain revenue and expenses of schools in the former Soviet Union and Baltic States. These are schools for which World ORT has effective control by appointing the school principal and providing additional funds.

All inter-entity transactions, including unrealised gains and losses, have been eliminated. The financial statements of the subsidiaries are prepared for the same reporting period as World ORT, using consistent accounting policies.

World ORT provides support to subsidiaries as follows:

World ORT Trust:	provision of liquidity support.
Kfar Silver Youth Village:	provision of funding and liquidity support

d. Foreign currency translation

The functional and presentation currency of the World ORT group is the US Dollar. It is the functional currency because most income is due in US Dollars and, in turn, the group matches as much of its commitments as possible in that currency.

World ORT Kadima Mada has the functional currency of the Israel Shekel because all of its commitments and charitable funds are in that currency.

World ORT Trust has the functional currency of the US Dollar because the majority of its commitments and all of its charitable funds are in that currency.

Transactions in non-dollar currencies are initially recorded in the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency exchange rate ruling at the financial position date. Fixed assets are translated at the rate of the initial transaction.

Exchange differences are recognised in profit or loss in the period in which they arise.

2 Accounting policies (continued)

e. Revenue

- Revenue, including donations, is recognised in the period in which World ORT is entitled to receipt and where the revenue can be reliably measured.
- Revenue from government bodies is recognised either according to contracts or where World ORT exercises control of the school.
- Unrestricted funds are available for use at the trustees' discretion in furtherance of the objectives of World ORT.
- Restricted funds are subject to specific restrictions imposed by the donor.
- Gifts in kind are included in restricted income at their fair value when received.
- International Co-operation projects are included in restricted funds and are accounted for under the same policies.
- Property income and other revenue is recognised on the accruals basis.

f. Provisions

Provisions are recognised when World ORT or a subsidiary has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

g. Property, fixtures and equipment

Property, fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

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. The rates applied are as follows:

Freehold buildings:	2% per annum on cost
Building improvements:	20% per annum on cost
Fixtures and equipment:	20% per annum on cost
Computer equipment:	33.33% per annum on cost

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

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

Expenditure on fixed assets to be used on projects is charged to project costs in profit or loss in the period in which it is incurred.

h. Leases

Leases as lessor

Property lease revenue is recognised in profit or loss as receipts fall due according to the contracts with the tenants.

Leases as lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

2 Accounting policies (continued)

i. **Financial assets: initial recognition and measurement**

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through the profit and loss account, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

State of Israel bonds are held-to-maturity investments. The other financial assets are held-for-trading subject to the overall asset-allocation policy set by the World ORT investment committee to the fund manager.

j. **Financial assets at fair value through the profit and loss account**

Financial assets are initially recognised at fair value plus transaction costs, except in the case of financial assets recorded at fair value through the profit and loss account. All financial assets at fair value through the profit and loss account are traded in active markets and so subsequent measurement of fair value of these financial assets is determined with reference to the quoted market bid price at the close of business on the financial position date.

Any gains or losses are included with gains or loss on investments in the profit and loss account.

The types of financial assets held by the Group are listed in note 7.

k. **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Their carrying values equate to fair value by reason of their short term nature.

l. **Receivables**

Receivables, which have terms according to their individual contracts, are recognised and carried at the lower of their original invoice amount and their recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

m. **Accounts payable**

Accounts payable are recognised and carried at the original invoiced amount or, in the case of accruals, the anticipated amount to be invoiced. Where the time value of money is material, payables are carried at amortised cost.

n. **Pensions and other post-employment benefits**

A subsidiary undertaking operates a defined benefit pension scheme and a defined contribution scheme. Both schemes require contributions to be made to separately administered funds.

The defined benefit plan was established on 14 February 1974 and was closed to new members with effect from 1 November 1999. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.

2 Accounting policies (continued)

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. World ORT recognises the following changes in the net defined benefit obligation under Other Expenditure in consolidated statement of comprehensive activities:
 - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
 - Net interest expense or income
 - The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less past service costs not yet recognised and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. The value of any plan asset recognised is restricted to the sum of any past service costs not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.
 - The defined contribution scheme was started from 1 April 2001 and is open to all employees who have been in employment for at least three months. The assets of the scheme are held separately from those of World ORT. Contributions are charged to the statement of comprehensive activities as they become payable in accordance with the scheme rules. Differences between contributions payable in the year and the contributions actually paid are shown as either prepayments or accruals in the financial position.

o. Fund accounting

Endowment funds are set aside for future purposes and form part of the restricted funds.

p. Reserves

World ORT endeavour to maintain general funds to an amount equalling at least one year's expenditure excluding direct project expenditure. The trustees have established this policy in order to protect the organisation's charitable programme in the event of a reduction in World ORT's revenue or an unexpected need for additional expenditure.

q. Project funds

Project funds are monies received from donors and partners in advance of the financial needs of the project (see note 12). Fundraising for projects is performed up to the value of the plan set out in the project proposal.

Occasionally the circumstances of a project change so that the funds received are in excess of the revised needs of the project. In these cases the policy is to offer the donor(s) an alternative project to make use of their funds.

r. De-recognition of financial assets and liabilities

Financial assets

A financial asset is derecognised where the rights to receive cash flows from the asset have expired; or the rights to receive cash flows from the asset have been transferred together with substantially all the risks and rewards of the asset, or where control of the asset has been transferred.

2 Accounting policies (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

3

	2021	2020
	US\$'000	US\$'000
3a Donations and grants		
Donations restricted to specific projects	33,063	43,699
Unrestricted donations	4,548	4,664
	<u>37,611</u>	<u>48,363</u>
<p>Included within donations restricted to specific projects are grants received from governments, institutions, and municipal authorities which are used to meet direct educational costs of the projects.</p>		
3b Property	2021	2020
	US\$'000	US\$'000
Rents and tenant recharges	87	257
Property costs	(688)	(381)
	<u>(601)</u>	<u>(124)</u>
4 Other Expenditure (Fundraising and Administration)	2021	2020
	US\$'000	US\$'000
Personnel	1,093	1,749
less: projects' contribution	(8)	(100)
Personnel costs (net)	<u>1,085</u>	<u>1,650</u>
Office	38	42
Travel and meetings	47	11
Premises and insurance	75	59
Audit and accountancy fees	82	78
Consultancy, Legal, Professional fees	385	693
Currency exchange income	(92)	(29)
	<u>1,620</u>	<u>2,504</u>

5 Key personnel compensation

Key management personnel are those people having authority and responsibility for planning, directing and controlling the activities of World ORT, directly or indirectly.

	2021	2020
	US\$'000	US\$'000
Short term employment benefits	503	954
Other long term pension costs	35	50
	<u>538</u>	<u>1,004</u>

6 Property, fixtures and equipment

	Freehold land and buildings	Building improve- ments	Fixtures, equipment & computers	Total
Cost	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2021	32,462	350	2,364	35,176
Additions	5,030	-	19	5,049
Disposals	(10,017)	-	(315)	(10,332)
At 31 December 2021	27,475	350	2,068	29,893
Depreciation				
At 1 January 2021	12,234	39	1,768	14,041
Charge for year	763	-	34	797
Disposals	(57)	-	(286)	(343)
At 31 December 2021	12,940	39	1,516	14,495
Net book value				
At 31 December 2021	14,535	311	552	15,398
At 31 December 2020	20,228	311	596	21,135

7 Financial assets at fair value through the Statement of Comprehensive Activities

Financial assets which are held comprise the following:	2021	2020
	US\$'000	US\$'000
Cash deposits & SHORT Term		
State of Israel bonds	-	569
	<u>-</u>	<u>569</u>

8	Accounts receivable	2021 US\$'000	2020 US\$'000
	Trade receivables	893	5,866
	Due from affiliated ORT organisations	1,351	-
	Prepayments	192	190
	Other debtors	267	34
		<u>2,703</u>	<u>6,090</u>

Amounts due from affiliated ORT organisations are non-interest bearing and are due within 30 to 180 days.

9	Cash and cash equivalents	2021 US\$'000	2020 US\$'000
	Cash at bank and in hand	24,625	9,502
	Short term deposits	118	1,083
		<u>24,743</u>	<u>10,585</u>

10	Accounts payable	2021 US\$'000	2020 US\$'000
	Payables	1,962	2,353
	Other creditors	2,911	2,368
	Taxation and social security	287	607
	Accruals	4,161	4,008
	Due to affiliated ORT organisations	-	579
		<u>9,321</u>	<u>9,915</u>

11 Employee post-employment benefits

World ORT has a subsidiary which operates the following pension plans:

The Defined Contribution Pension scheme

The assets of the defined contribution pension scheme are held separately from those of World ORT in an independently administered fund. World ORT contributes up to 11% (mainly 4%). The cost to World ORT of contributions to the scheme was \$210,000 (2020: \$100,565).

Employee benefits - The Defined Benefit Pension plan

This scheme is known as the ORT Retirement Benefit Plan (ORBP) which is based in Great Britain and administered by a third party. The assets of the scheme are held separately to those of World ORT. The plan assets are 100% invested in a with-profit fund.

The plan closed to new entrants in 1999. The plan has an independent professional trustee. Periodically, the trustee reviews the level of funding in the ORBP as required by UK pension law. Such a review includes the asset-liability matching strategy and investment risk management policy. The board of trustees adjusts its contribution based on the results of the triennial actuarial review.

Since the pension liability is adjusted to consumer price index, the pension plan is exposed to UK's inflation, interest rate risks and changes in the life expectancy for pensioners. As the plan assets include significant investments in corporate bonds and quoted equity shares of entities, World ORT is also exposed to market risk arising in the corporate bonds and equity sectors. World ORT currently pays contributions at the rate of 47.1% of pensionable pay (2020: 47.1%). Contributory members pay their employee contributions at the rate of 7% of pensionable salary. The employer makes a special payment for the contributions of the non-contributory members at the same rate.

Membership of the defined benefit pension plan

Active members at 31 December	2021	2020
Preserved and deferred members at 31 December	-	-
The plan's normal retirement age of 65, with the active member having 9.5 years to serve	23	23

12 Charitable funds

- **Restricted endowment funds**

These funds are tied to particular purposes, which arise because of restrictions on their use required by the donors at the time of receipt.

- **Restricted project funds**

Restricted project funds are advances by donors and Board allocations to fund specific projects or a collection of projects. The balance represents the unspent portion at the year-end. The advanced funds will be spent over the remaining lives of the projects; periods normally planned at up to four years. A restricted project is undertaken only when the planned funding requirement has been received or pledged.

13 Related party disclosure

During the year, World ORT incurred legal fees of \$56,520 in a firm in which a Trustee is a Partner. The fees charged were at a discount to arm's length rates and the Trustee received no financial benefit.

Donations were received from the following trustees during the year

	2021	2020
	US\$ '000	US\$ '000
Conrad Giles	10	10
Bob Gray	25	25
Judy Menikoff	28	35
Vivien de Gunzburg	-	5
Robert Taub	38	150
Lawrence Wolfe	-	710
HowardLanzar	-	40
	101	975
	101	975

14 Significant events

- a. World ORT's has been affected by COVID-19. The offices have been shut since March 2020 and World ORT and World ORT Trust have both taken advantage of the UK Government's furlough scheme as well as negotiating with suppliers to reduce costs to offset the fall in rental income predominantly from conferencing activity. World ORT's ability to raise funds for specific and general purposes has not been affected and has managed a highly successful response to its COVID campaign. However, several projects have had to be deferred to 2021 due to the pandemic with approval from the donors who had funded these projects.
- b. On March 2020, a lawsuit was filed in the Tel Aviv District Court against WO, three subsidiaries of WO (Kfar Silver, Kadima Mada and a subsidiary of Kadima Mada) and against Mr. Avi Ganon (Civil Case no. 49863-03-20). The lawsuit was filed by Mr. Avi Ziv and ARRYA Ltd. and it claimed that WO and the other Defendants breached a contract signed on 17.7.2018 (hereinafter: The Agreement). The said litigation was settled. Under the settlement WO undertook to pay the Plaintiffs 1,300,000 NIS in 4 instalments. WO already paid 3 instalments. The remaining outstanding payment is for the sum of 250,000 NIS and it is to be paid until January 1, 2023.
- c. On April 11, 2021, a lawsuit in the amount of NIS 3.3 million was filed against Kadima Mada Ltd by Hodayot Youth Village. In the statement of claim, it was stated that the company didn't full fill the signed obligations. On March 23, 2022, the court gave effect to a judgment for a settlement agreement between the parties. The settlement agreement states that Kadima Mada will transfer to the plaintiff a total sum of NIS2.4 million, spread over 6 years until the end of 2027. It was also agreed that donations raised for the Youth Village will be considered as payments towards the settlement.
- d. On June 21, 2021, Mr. Aviezer Segal filed a claim in the amount of NIS0.4 million against Kadima Mada Ltd on the grounds that he wasn't legally fired. The hearing of the evidence is set for June, 2023. According to the attorney, the chances of the lawsuit are less than 50%.
- e. In December 2020, an agreement was signed between the Ronson foundation and Kfar Silver Ltd regarding donations for renovations in the village which will be carried out in four steps
1. Kitchen and dining room - renovation was finally completed during February 2022.
 2. Infrastructure.
 3. Beit Anana - high school.
 4. Beit Harimon - middle school.
- In accordance with the agreement, the Ronson Foundation will invest 2.08 million pounds and the Norman Foundation will invest 2.5 million dollars,
On the other hand, WORLD ORT will invest a total of 6 million dollars - so the total investment in the renovation of the village will amount to 11 million dollars.
- f. Agreement with Kiden and Kfar Silver Ltd:

On January 3, 2021, an agreement was signed with Kiden Engineering Design of Prestressed Concrete Buildings, Civil Engineering and Public Works Ltd. to receive a service of management, coordination and supervision in connection with the Ronson project.

The return - 7.2% of the cost of establishing the Ronson project, which will be paid in two phases, planning and execution, with each phase having a number of payment milestones.

- g. Agreement with Namdar Batim Ltd. (affiliated with Rosin Inc.) and with Kfar Silver Ltd:
In March 2022, an agreement was signed with Namdar Homes Ltd., to renovate the kitchen and dining room in Kfar Silver as part of the Ronson project in the amount of NIS 12.3 million including VAT.
- h. In 2021 World ORT Trust sold part of ORT House. The gain recorded on this part-disposal of it's freehold property is \$1.7 million.