



REGISTERED COMPANY NUMBER: 04699155 (England and Wales)
REGISTERED CHARITY NUMBER: 1106429

**Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2019
for
THE PORTLAND TRUST**

**Report of the Trustees
for the year ended 31 December 2019**

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The Trustees have adopted the provisions of 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).

Objectives and activities

The Portland Trust was incorporated on 17 March 2003 and gained charitable status on October 2004. The Portland Trust is a non-political organisation which is committed to driving initiatives that promote economic development, moderation and the resolution of conflict in the Middle East, in particular, the Israeli-Palestinian conflict.

Significant activities

The Portland Trust is involved with a number of initiatives to further its charitable aims. These include designing and coordinating programmes that aim to assist in the development of the Palestinian private sector and to reduce poverty in Israel through social investment and social entrepreneurship and collaborating with key partners at local and international level who can implement them.

A full description of projects currently being supported is given later in this report. This includes programmes which received direct funding from The Portland Trust during 2019 as detailed in the notes to the Financial Statements, as well as initiatives where The Portland Trust plays an advisory role offering guidance and non-financial support.

Public benefit

The objects of the Charity are for such exclusively charitable purposes for the benefit of the public in any part of the World as the Trustees' may in their absolute discretion think fit. When making decisions about the activities undertaken in furtherance of these objects, the Trustees follow the guidance issued by the Charity Commission regarding public benefit. This is demonstrated through involvement in projects benefiting society as a whole as detailed in this report.

Fundraising Declaration

The Portland Trust does not raise funds from the public and therefore has not subscribed to any fundraising standards or scheme for fundraising regulation.

Social investments

Working with local and international partners, The Portland Trust makes grants to develop the Palestinian private sector and the Israeli socio-economic periphery, mobilising additional resources and support where necessary.

In addition to making grants directly to beneficiaries, The Portland Trust also may make loans or investments where this is consistent with the Trust's charitable purposes and mission. Any Programme Related Investment would be monitored regularly by the Trustees to ensure that funds once invested continue to be used in furtherance of approved activities. The Social Investment Policy is reviewed annually or if there are significant changes in the Charity's commitments or activities.

Grantmaking

Grants may be made to organisations which The Portland Trust is working with on any project furthering the Charity's charitable aims. Such expenditure is listed in the notes to the Financial Statements.

Volunteers

With the exception of the Trustees, The Portland Trust had only one volunteer in 2019. Jude Matouq worked as a volunteer intern with The Portland Trust in London in August 2019.

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Charitable activities

As an 'action tank,' The Portland Trust's direct charitable expenditure mainly comprises its staff costs. Other costs are accounted for on a project basis, as detailed in Note 5 to the Financial Statements.

A. Palestine Programme

The Portland Trust works to help develop the Palestinian private sector by catalysing investment and job creation opportunities, aiming to promote sustainable growth in the Palestinian economy.

Palestinian IT Sector

As recommended in the Beyond Aid report (The Portland Trust, 2013), The Portland Trust continued to focus on generating employment in the Palestinian technology sector in 2019. The Portland Trust's three pillar programme included working to increase Palestine's share of the global outsourcing market; promoting entrepreneurship and innovation; and working to improve school and university tech education to align with international industry requirements and best practice.

The Portland Trust continued to develop capacity in niche tech industries to attract more multi-national companies (MNCs) to outsource to Palestine, whilst expanding Palestine's access to international markets and investors.

In order to support additional business development efforts by Palestinian tech companies in the field of Semiconductor Design Verification and beyond, The Portland Trust continued to play a bridging role, bringing global tech leaders to Palestine and introducing Palestinian tech leaders to global tech hubs.

The Portland Trust facilitated visits of ten tech delegations to Palestine from Israel, the US and the rest of the world in 2019.

The Portland Trust continued to focus on expanding business development opportunities for Palestinian IT outsourcing firms. In September 2019, The Portland Trust delivered its analysis of the Palestinian Tech Sector to "The Convenient Truth" conference in San Francisco, helping to lay the ground for three executives of leading Palestinian IT outsourcing firms to present their offering. 150 executives from Silicon Valley attended the event, some of whom subsequently extended contracts to the Palestinian IT firms as a direct result of the encounter.

The Portland Trust continued to promote digital entrepreneurship and innovation by increasing exposure and linkages to successful international tech ecosystems.

During 2019, The Portland Trust partnered with the international development contractor, DAI, to help them bid for the Innovate Private Sector Development Programme (IPSD), a \$13 million programme funded by the World Bank Group. The programme's stated objectives are to "alleviate market failures related to gaps and binding constraints in the entrepreneurship ecosystem of the digital economy including in human capital, financing, product markets, enabling policies, institutional support, and connectivity." TPT worked with DAI to identify and design the initiatives that will be financed by the programme, ultimately leading to increased employment opportunities within the Palestinian private sector.

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The Portland Trust identified Design Verification as a niche sub-sector with high potential to foster growth and employment in the technology sector, based on a growing outsourcing market. The project, which launched in 2017, was initiated in partnership with several MNCs aimed at increasing opportunities for employment for Palestinian computer engineers. The project involved the setup of industry-orientated laboratories at universities including a Very Large Scale Integration (VSLI) Lab. The first was established at Al-Najah University in 2018. In 2019, TPT facilitated the set-up of additional laboratories in three further universities in Palestine.

The Portland Trust continued to support Palestinian universities to introduce and integrate industry-orientated education programmes. In 2019, The Portland Trust worked with Israeli-based software development firm Cadence to deliver specialised training courses for university professors. A similar programme is being developed at Bar-Ilan university, and during 2019 The Portland Trust worked with Cadence on adapting it to the Palestinian context and then extending it to Palestinian universities.

Blockchain in Palestine

The Portland Trust sits on an advisory board for the integration and promotion of blockchain in Palestine and in 2019 partnered with telecom company Paltel's newly established innovation hub, Fikra, and the United Nations Children's Fund (UNICEF) to design a programme for 2020 that aims to provide intensive training to Palestinian IT graduates on blockchain technology. The programme is designed to be held over two days and to be followed by a hackathon. If successful, The Portland Trust will work to scale-up the programme. [Note: The Blockchain Hackathon was due to take place on 17-19 April 2020 but was postponed due to lockdown as a result of the COVID-19 pandemic.]

The Development of the Palestinian Agricultural Sector

In July 2019, The Portland Trust organised a technical seminar and roundtable discussion on innovative potential in the agriculture sector, titled "Reviving the agriculture sector through knowledge transfer and innovation", in collaboration with the Food and Agriculture Organisation (FAO), The Ministry of Agriculture (MoA), and the National Agriculture Research Center (NARC). The event aimed to introduce some of the best practices in Israeli agriculture to Palestinian stakeholders, in order to initiate sector-wide discussions on bridging knowledge gaps. During the seminar, The Portland Trust collated valuable feedback on the most pressing technical, financial and regulatory impediments from over sixty experts that attended the event.

AgriTech Hackathon

In August 2019, The Portland Trust launched Palestine's first hackathon focused on AgriTech with a number of partner organisations operating in the agriculture sector, including Fikra, Gaza Sky Geeks, Global Communities, EcoPeace, NARC, FAO, Oxfam, Agribusiness Accelerator, the Palestinian Authority, and MenaCatalyst.

The initiative provided a platform for the creativity of young entrepreneurs for the development of tech-enabled solutions for pressing needs currently faced by Palestinian farmers. The event had over a hundred participants in the West Bank and Gaza, with 21 projects emerging. Three winning projects were selected, two in the West Bank and one in Gaza. Winners received over \$15,000 each of in-kind services at an accelerator programme.

Building on the success of the event, a second AgriTech hackathon was developed by the Ministry of Agriculture and the Japanese aid agency, JICA. The Portland Trust aims to capitalise on the momentum created by the hackathon to identify sector champions that can grow the initiative into a national-scale grand challenge.

Connecting Gaza to Cutting-edge Agricultural Innovation

Also during 2019, The Portland Trust helped facilitate the flow of technology and advanced practices from Israel to Palestinian farmers in the Gaza Strip.

The Portland Trust partnered with Damour, a non-profit organisation in Gaza, to deliver a programme to equip Gazan agronomists with cutting-edge expertise through the provision of technical training in Israel. Damour, headed by PA ex-minister Dr Ashraf Al Ajrami, first approached The Portland Trust in March 2019 for assistance to connect Damour with potential partners in Israel. The Portland Trust facilitated a number of meetings for Dr Ajrami with several Israeli bodies including Arava R&D, the Center for International Agriculture Cooperation (CINADCO) of the Israeli Ministry of Agriculture and Rural Development, and the Agency for International Development Cooperation (MASHAV) of the Israeli Ministry of Foreign Affairs.

In November 2019, thirteen Gazan farmers, six women and seven men, received permits to attend a one-day intensive training session on new irrigation methods and techniques at Israeli irrigation equipment manufacturer, Netafim.

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Social Impact Investment

The Portland Trust continues to play a leading market-building role for the promotion of social impact investing in Palestine. This innovative mechanism can help leverage previously untapped capital, foster innovation, and enable donors shift their approach to development by focusing on measurable outcomes.

Type 2 Diabetes among Palestinian Refugee Women

In January 2019, The Portland Trust launched the first Social Impact Bond (SIB) in Palestine and the Arab world, to address the growing Type 2 Diabetes epidemic in Palestine. The SIB aims to provide a structured intervention for 150 pre-diabetic women in West Bank refugee camps over a three year period, leading to sustained weight loss and preventing the onset of diabetes. The intervention is being delivered by Juzoor, a local public health organisation with a strong track record of working with women in impoverished areas. To support service delivery, The Portland Trust secured the commitment of the Paltel Group, the largest telecom provider in Palestine, for an outcome payment for the first cohort totalling \$150,000-\$250,000. The Portland Trust also succeeded in raising \$150,000 in investment for the SIB from the Bank of Palestine, the largest national bank.

Code for Palestine (primary school)

Coding has become one of the most in-demand and marketable skills. Virtually every industry has embraced the tech revolution and is adopting digital solutions to keep up with global development. Evidence from around the world shows that equipping students with the power to code, contributes to improved STEM-based outcomes in schools and better career prospects.

During 2019, The Portland Trust worked with local partners to build a coding programme for public school students in Palestine (see 'Improving Tech Education' above). We are continuing to partner with local service providers with proven expertise on the design of an outcomes-based pilot programme that provides coding training to school students and measures learning outcomes against a control group. If successful, our team will work on developing the initiative into a SIB.

World Bank Development Impact Bond to Address Youth Unemployment

The Portland Trust supported the World Bank to develop its first ever Development Impact Bond (DIB) addressing high youth unemployment in Palestine, launched in November 2019. The Bank partnered with the Ministry of Finance and Planning (MoF), Social Finance UK, and DAI to provide 1,500 young Palestinians aged 18-29 years with skills training and training-to-employment support, over a period of three years.

An initial investment of \$1.8m was secured from four local and international investors who will provide financing to delivery organisations for interventions that support participants' transition to employment. If the project achieves the agreed employment results, and these results are independently verified, then the MoF will repay investors, drawing on a \$5m outcomes fund earmarked by the World Bank from its West Bank and Gaza Trust Fund. The DIB approach is expected to incentivise increased flexibility and adaptation both in training methods and in responding to evolving employer needs.

B. Israel Programme

The Portland Trust is focused on enhancing economic opportunities in the Israeli social and geographic periphery, addressing Israeli Arab employment and business challenges and strengthening Arab municipal development. The Portland Trust's aim is to create a systemic change to integrate the Arab sector into the Israeli economy, generating employment opportunities and enhancing the lives and livelihood of Israeli Arabs whilst increasing their contribution to GDP. During 2019, The Portland Trust also began to develop interventions aimed at increasing economic participation and improved living standards amongst the ultra-Orthodox (Haredi) Jewish community.

Developing a Regional Economic Growth Strategy for the Arab sector in Israel

Building on Israeli Government Resolution 922, a five-year plan which aimed to address the socio-economic gaps between Arabs and Jews in Israel, The Portland Trust embarked on the development of a private sector led framework for regional economic growth for the Arab sector.

From January to June 2019, The Portland Trust conducted a thorough analysis of regional strengths and weaknesses, including in relation to Arab-Jewish integration. Based on this study, a pilot region was selected in southeast Akko/Sakhnin, including the communities of Sakhnin, Misgav, Arraba, Dir Hana, Kfar Manda, Kaukab and Sha'ab. The Portland Trust identified health services and digital health/MedTech as the growth engine. Recommendations included the building of a tech compound specialising in medicine and healthcare, building centres for health services with an emphasis on typical ailments, and establishing elderly care facilities.

In the second half of 2019, The Portland Trust formulated a detailed implementation plan and a small delivery team was appointed alongside the formation of a strategic partners coalition. Both will bolster government involvement in order to advance the implementation of the plan.

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Urban Planning and Affordable Housing for Arab Youth

During 2019, The Portland Trust advocated for a national plan to develop new urban neighbourhoods in existing Arab cities and large villages. The objectives of this initiative are to create affordable housing for the younger generation; overcome registration issues; enable modern urban planning; put in place new financial models to enable the development and marketing of neighbourhoods on private/national land; provide youth with homeowner financing in the form of loans and mortgages; and provide access to improved education, health services, employment, and academic centres.

Two privately owned sites in Taybeh and Baqa al-Gharbiyye were identified as potential locations for the projects. An area of 50 dunams will include a modern compound of residential units, commercial and public spaces. A visit took place in 2019 with Investment Company IBI, Social Venture Fund and others. The model was completed in 2019, and zoning permission processes began as a consequence.

Women Space Hub

Women Space Hub provides Arab women with the tools, education, and ongoing mentorship to build or boost their own small and medium enterprises (SMEs). This programme aims to create a generation of local businesswomen supporting themselves and their families, as well as creating more attractive jobs for the local community.

The first hub was established in Nazareth in December 2018. During 2019, The Portland Trust worked in cooperation with the Nazareth hub to create a sustainable model for a pilot promoting entrepreneurship, professional courses and ongoing mentoring. The outcomes targeted by the project included an increase in local, sustainable, entrepreneurial activities, securing participants' financial contribution to the project after year two, increased employment among participating businesses, and boosting applications to the hub. The second cycle of a six-month management course for SME owners began in September 2019 and was followed by a personal mentoring programme for its participants, led by The Portland Trust. Participants were linked to senior business leaders from their field, who guided them in improving business plans, setting KPIs and striving to accomplish their goals.

Lotus Project for Orthodox Druze Women

A population of about 400 young orthodox Druze women, who successfully graduated from high school in science tracks, live in the Israeli periphery. In 2019, The Portland Trust partnered with Lotus, a local NGO run by Druze women based in Isfiya, to train and integrate women into well paid employment within the hi-tech industry.

With the support of The Portland Trust, Lotus initiated an eight-month programme, during which women with a high potential to succeed in hi-tech positions were identified and trained to become Full-Stack developers. In addition to training, Lotus established the first hi-tech hub in a Druze village designated for women. The women work full time for leading hi-tech firms from the Lotus tech hub.

The first cohort consisted of 14 participants, aged 18-32, all of whom graduated from Lotus in August 2019. All of the graduates were employed by industry leaders Amdocs, Mellanox and Oranbit, following extensive interviewing and testing processes, and earn a starting monthly salary of 11,000 NIS, representing a four-fold increase on their previous salaries.

A second cohort of 23 women were recruited and started training on 6 October 2019.

In 2019, a 500m² property was identified for the establishment of a new Lotus Hub to accommodate 80-100 women. The premises will be leased and renovated to meet the needs and standards of the tech sector. The Lotus model was designed to be financially sustainable from the end of its second year, as the employers pay Lotus 2,500 NIS per month per employee for a workstation and an additional one-time payment of 11,000 NIS as hiring fees for each employee. As part of The Portland Trust's social-impact philosophy, every graduate pays 500 NIS per month to the Lotus NGO, to enable future training cohorts.

In 2019, Lotus also received a three-year, annual commitment of 300K NIS from the Druze and Circassian authority. The Portland Trust is seeking to match this with philanthropic funds.

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Nation-wide Academic Plan for the Education of Haredi Youth in Computer Science and their Placement in Leading Jobs in the Hi-tech Sector

In 2019, The Portland Trust developed its vision to help integrate Haredi youth into top roles in the hi-tech industry through a new academic model, leading to the creation of an elite group of Haredi youth to drive economic progress within the community. The programme is based on an academic plan, designed in cooperation with the Hebrew University of Jerusalem, which will enable Haredi men to study for a full BSc degree in Computer Science and will guarantee employment in leading jobs within the tech sector.

The first ever, designated track for Haredi men to be held at one of the world's top-rated universities, the programme will provide academic, social, and financial support to participants, helping them to focus on successfully completing their BSc and integrating into leading global hi-tech firms on graduation, with a commitment for an initial monthly salary of 18,000 NIS. This represents a major platform for the uplifting and long-term enhancement of the lives of this socio-economically weak section of Israeli society.

A Path to Empowerment and Equality: A Master Plan for Employment of Arab-Israeli Women

During 2019, The Portland Trust, in partnership with the Israel Democracy Institute (IDI), conducted in-depth research to determine how to bridge the economic gap between Israel's Arab and Jewish communities, focusing on women's employment. The Israeli government has acknowledged the importance of meeting the challenge of Arab women's employment and has allocated major funds to this issue through Government Resolution 922. The project aims to lay the groundwork for effective government policy by presenting a recommendation to serve as a comprehensive master plan for a new government resolution and five-year plan. The proposal will include a set of concrete objectives and tools that the government will be asked to adopt.

During 2019, the following milestones were achieved:

- Qualitative research was completed: 5 focus groups were held; 40 in-depth interviews were conducted
- The Local Arab Municipalities Committee was highly involved and represented in negotiations with the Ministry of Finance over the upcoming five-year plan
- Stakeholder engagement included all relevant leaders, government ministries, and approximately 15 NGOs
- Executive briefs and the team recommendations were presented to the Ministry of Finance in late 2019, to incorporate the plan in the next fiscal budget
- The Portland Trust worked with the Ministry of Economy to map Industrial Zones as potential employment boosters

Portland Campus

The Portland Trust supports various Social Impact initiatives focused on economic development and quality employment opportunities. The Portland Campus is a management accelerator which enables us to make a large-scale impact, by equipping talented social entrepreneurs with tools to improve their work. The first cohort of 13 NGO leaders commenced in mid-October 2019 and concluded in February 2020. The participants came from diverse backgrounds, including Bedouin, Druze, Muslim, Jewish Ultra-Orthodox and secular people from across Israel, all dealing with quality employment development for disadvantaged communities. The programme provided the participants with the most up-to-date management methodologies, best practices, and an opportunity to engage in peer learning, sharing from their experience and creating a mutually supportive community. The participants' feedback on the content provided by The Portland Trust was excellent and proved both the necessity of this initiative, and the quality of the implementation. One Haredi participant said, "you changed my life." Another participant said, "the campus isn't about theory, but I acquired applicable tools to run the NGO I'm heading".

Developing Shefar'am and Taibe-Lev Hasharon Industrial Parks

In 2019, The Portland Trust continued work on Shefar'am and Taibe-Lev Hasharon Industrial Parks. For Shefar'am, the project is awaiting a supreme court hearing to determine ownership of the land. The industrial area's marketing and sales plan is on hold until court resolution. The essence of the dispute is a claim by the municipality of Bir Al Maksur and a private company that the subject location contains areas belonging to them and, as such, past decisions related to the development of the area should be revoked.

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Taibe-Lev Hasharon Industrial Park was initiated more than a decade ago, mostly focused on heavy industry and logistics services. During 2019, The Portland Trust helped to prepare an updated development programme, which focuses on the creation of high-level, well-paid work options for the citizens in the surrounding villages and cities.

Social Finance Israel

During 2019, The Portland Trust continued to support and partner with Social Finance Israel, having played a leading role in its establishment in 2013 as a public benefit company and Israel's first social-financial intermediary.

Social Finance Israel is the leading developer of Social Impact Bonds (SIBs) in Israel and is attracting new capital towards non-profit organisations and social enterprises tackling a range of high-priority social challenges. These include reducing the drop-out rate amongst higher education technology students, preventing the onset of Type 2 diabetes amongst pre-diabetics and enhancing educational attainment in maths for Bedouin high school students in the Negev.

Publications, Research and Events

Palestinian Economic Bulletin

The Portland Trust publishes the monthly "Palestinian Economic Bulletin", reporting and providing analysis on economic developments in Palestine. Regular subjects include the labour market, national accounts, fiscal developments, business matters, developments in key economic sectors and news on the Palestinian Stock Exchange. The Bulletin is distributed to over 1,200 international and local subscribers. In early 2019, The Portland Trust launched an Arabic language version of the bulletin alongside the regular English version.

Financial review

Financial position

As detailed in the Review of Activities and the Notes to the Financial Statements, The Portland Trust has driven and contributed to a number of initiatives. Sufficient income has again been secured to meet all of our commitments. At 31 December 2019 The Portland Trust had a liquid balance sheet with a cash position of £344,812 which helps to secure the Charity's plans to promote economic stability in the Middle East into 2019 and beyond.

Principal funding sources

The Portland Trust mainly receives funding from grant-making charities based in the United Kingdom and internationally.

Investment policy and objectives

The Trustees have regard to the liquidity requirements of the Charity and maintain a policy of keeping any surplus liquid funds on short-term deposit which can be accessed readily to enable the timely response to project needs.

Reserves policy

The Portland Trust carries out a blend of both long- and short-term projects. The Trustees have examined the requirement for free reserves which are those unrestricted funds not designated for specific purposes or otherwise committed. The Trustees consider that generally, free reserves should be sufficient to cover approximately three months of regular operational expenditure which equates to approximately £350,000.

At 31 December 2019 unrestricted retained reserves totalled £367,472 and restricted retained reserves were £185,736.

The free reserves at the year-end are considered adequate for this purpose and to carry out appropriate projects going forward.

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Future developments

A. Palestine Programme

Beyond Aid Implementation

In 2020, The Portland Trust continued to support the implementation of initiatives outlined in the Beyond Aid report as detailed below.

Palestinian IT Outsourcing

The Portland Trust has been working in the Palestinian IT sector for several years. Although the sector is growing, it is doing so slowly. There are several external and internal challenges limiting growth. Using the experience of the past several years, The Portland Trust is working with partners to design an innovative business model that ensures significant growth and employment in IT Outsourcing (ITO) firms, securing attractive salaries for employees alongside financial returns for investors and a highly competitive offering for multi-national companies (MNCs) and Israel-based clients.

During 2020, The Portland Trust focused on identifying and building training solutions for Palestinian engineers that are both affordable and in line with MNCs' needs. In parallel, The Portland Trust has assisted Palestinian ITO firms in their efforts to build a pipeline of work from Israel and the rest of the world and helped investors identify donor partners willing to contribute financially towards de-risking their investment.

In early 2020, The Portland Trust identified an opportunity to accelerate employment in IT outsourcing, focusing on previously untapped locations, namely Nablus and Hebron. These two governorates are home to around 23% of Palestine's population and 41% of its workforce. Of the 2,351 students graduating in IT-related fields from top Palestinian universities in 2018, around 39% were from universities in Nablus and Hebron. Although a number of new ITO companies have started to emerge in both locations, their potential for growth remains largely untapped, with most of the local IT graduates either unemployed or relocating to more developed hubs in Ramallah and Rawabi.

The Portland Trust launched the initiative through a working visit to the region in February 2020, to validate the proposal and secure commitments from stakeholders. With a focus on the Nablus and Hebron ITO ecosystems, The Portland Trust has continued to model the programme and to validate assumptions through regular meetings with Palestinian ITO firms, potential investors and universities, in addition to Israeli hi-tech partners.

Gaza

The Portland Trust continues to promote the Gaza Vision and to support the efforts of the private sector coordinating committee to drive forward implementation. It also continues to focus on opportunities to develop project ideas in line with the Vision.

The Development of the Palestinian Agricultural Sector

Building on the momentum and feedback collated during the seminar held in 2019, The Portland Trust continues to liaise with potential champions, to develop programmes focusing on the transfer of technology and know-how to the Palestinian agriculture sector. The Portland Trust will work on specific interventions (i.e. technologies, crops, or practices) to be localised and tailored to achieve greatest impact within the Palestinian context.

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B. Israel Programme

Developing a Regional Economic Growth Strategy for the Arab sector in Israel

Building on the detailed strategic analysis which The Portland Trust conducted during 2019, The Portland Trust continued to make good progress with the resulting implementation plan throughout 2020.

The Portland Trust has continued to explore potential collaboration with partners and identify projects for development in Sakhnin valley. These include an accelerator programme to support local clinicians operating in adjacent hospitals, assisting them towards developing their innovative ideas into clinical proofs of concept. The goal is to create the seeds for future companies which will operate in the area. The Portland Trust is also looking to expand the programme to include an innovation lab in collaboration with the Israeli Innovation Authority. Additional projects include a pharmaceutical compounding facility which will provide services to the local hospitals and community, a pharmaceutical consulting and logistics centre and a genomics lab. The Portland Trust has identified significant potential in establishing an ortho-dental eco-system in the region, which will be based on a collaboration between the Galilee hospital, Bar-Ilan Medicine Faculty in Zafed and dental industry players.

The Portland Trust has presented the plan to the Ministry of Economy, and proposed that they potentially adopt it as a flagship project, along with the establishment of a multi-ministerial office committee to promote it. A meeting took place with the Minister of Economy to seek his endorsement. Throughout 2020, The Portland Trust has continued to enhance its collaboration with the local municipalities, and has established a local steering committee which includes the municipalities' representatives, as a means to receive their feedback, support and engagement with these endeavours.

Finally, during 2020 The Portland Trust worked to expand the programme to include an additional regional economic cluster in Eshkol Hasharon, in cooperation with the local municipalities. KPMG Israel has been selected to advise on the project and the process of identifying the growth engine/s for this region began in October.

Urban Planning and Affordable Housing for Arab Youth

Following analysis and preparations in 2019, The Portland Trust remains committed to implementing this initiative in collaboration with the landowners, the municipality, and with official planning institutions. Meetings already held indicate there is great interest from the government, private sector, and local leaders in the project. The negotiation with the landowner was expected to reach an agreement by mid-2020, enabling the preparation of an approved plan with work commencing on the ground in 2021. Due to the COVID-19 pandemic, the timetable has been delayed. The landowner who was interested in the plan has decided not to proceed at this time. The plan will continue once relevant land has been located.

A Path to Empowerment and Equality: Master Plan for Employment of Arab-Israeli Women

During 2020, The Portland Trust continued to lead the development of a comprehensive master plan for the integration of Arab women into the Israeli workforce in partnership with the Israel Democracy Institute's Arab-Jewish relations sector, government ministries, NGOs, and private sector employers.

More than thirty meetings have been held with different officers from seven different ministries: Ministry of Economy, Ministry of Labour, Ministry of Welfare, Ministry of Finance, MALAG (Council for Higher Education), and the Ministry of Agriculture (Bedouin population/community involvement). On 29th January 2020, The Portland Trust co-chaired a steering committee with representatives from every ministry, where each presented recommendations prepared by The Portland Trust. On 29th February 2020, the programme was presented to the Local Arab Municipalities Committee, to receive feedback and evolve the programme accordingly. Preliminary documentation, with background for each policy, has been submitted for publishing. The final work will enable policy makers to better understand Arab minorities when formulating policy. The project is proceeding as planned, and The Portland Trust is adhering to the original timetable. Many of the chapters of the report have been completed, with the approval of the steering committee.

Lotus Project for Orthodox Druze Women

During 2020, The Portland Trust built on its partnership with Lotus in Isfiya, facilitating and mentoring the NGO's activity in all aspects, developing the next cohorts of the programme and matchmaking for roles in the Israeli tech sector. The first cohort of women has been successfully working for almost a year, for leading hi-tech firms, including Amdocs, Oranbit and Radcom, to the complete satisfaction of those employers.

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The second cohort of 15 graduates were all placed in employment during 2020. The success of such placements, in the midst of a challenging period in the hi-tech workforce, amplifies the strength and sustainability of the Lotus model.

A third cohort of women is being selected with a view to starting their training by the end of 2020, to be integrated into the work force by July-August 2021.

As planned in 2019, the establishment of the new 500m² Lotus Hub was completed in mid-2020, the first women only tech hub in the Arab sector. The hub is fully furnished and equipped, funded entirely by donations from hi-tech firms and private donors. By the end of 2021, 50-70 women are expected to work and operate from the Lotus Hub.

Forsa

A new initiative for 2020, Forsa aims to provide a scalable solution of quality employment for talented young Arab-Israelis, who have graduated from scientific academic degrees, but failed to integrate into the hi-tech sector, or quality employment in general. The programme leverages the Lotus model and know-how for the design of an intervention that addresses the hi-tech sector's needs, while taking into consideration the context of Arab society in Israel.

The historic lack of integration has been exacerbated during 2020, with new graduates in general struggling to find their first job. This situation poses a double challenge for Arab youth who experience the traditional barriers to integration in addition to the current lack of junior employment positions and an unwillingness of employers to hire juniors in Israel, preferring instead to recruit staff in low-cost, off-shore centres such as India and Ukraine. Forsa works to identify talented youth and the enabling factors needed for their inclusion in hi-tech, within an appealing employment cost model for the employers.

In November, The Portland Trust finalised the selection process of a first cohort of 12 participants from a group of 100 candidates, all of whom are Computer Science graduates with high grades from leading universities, including the Technion, Tel Aviv University and the Hebrew University. Each participant underwent a careful selection process developed and managed by The Portland Trust. The first group will be certified as DevOps experts ready for employment in hi-tech firms.

Creating an Ultra-Orthodox Elite: Complete Degree at Hebrew University and Employment in Global Hi-Tech Firms

Building on its planning in 2019, The Portland Trust continued to prepare for the launch of this unique new initiative.

In October 2020, the first cohort of 20 men began their study programme having been admitted and accepted by the Hebrew University to the Computer Science BSc track.

The programme is expected to deliver around 85 graduates every year with the potential to be further scaled once enough experience has been gained. In addition to dramatically improving the employment prospects and livelihoods of the graduates, their families and the wider community, the programme will generate a contribution to the national economy of more than 800 million NIS in 10 years, with an additional 221 million NIS every year thereafter.

A living expenses scholarship (2,500 NIS per month) will be provided in the first year of BSc studies to students who have made a significant commitment to completing the preparatory track and psychometric test to be accepted by the Hebrew University. In the second and third years, social loans of the same monthly amount will be provided, to be repaid after graduation.

The Negev and Galilee Loan Guarantee Project

KIEDF made the fourth instalment of its 5-year repayment to The Portland Trust in December 2020.

Social Finance Israel (SFI)

The Portland Trust continued to support the work of SFI during 2020.

In 2020 SFI launched its fifth SIB which focuses on reducing loneliness amongst the elderly.

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Palestinian Economic Bulletin

The Portland Trust continues to publish the monthly Palestinian Economic Bulletin. Since early 2019, The Portland Trust has been publishing the bulletin in English and Arabic and 20% of its readership now access the publication in Arabic.

In 2020, The Portland Trust published special bulletins pertaining to the impact on the Palestinian economy of COVID-19 and the potential Israeli annexation of parts of the West Bank.

**Structure, governance and management
Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The liability in respect of the guarantee is limited to £1 per member.

Recruitment and appointment of new trustees

The Trustees of the Charity have control of the Charity and its property and funds. The first Trustees were Sir Ronald Cohen and Sir Harry Solomon. Unless otherwise determined by ordinary resolution, the number of Trustees is subject to a maximum of ten and minimum of two. Trustees may be individuals or bodies corporate.

Every Trustee signs a declaration of willingness to act as a Charity Trustee before being eligible to vote at any meeting of the Trustees. One third (or the number nearest to one third) of the Trustees retire at each Annual General Meeting, those in office retiring first and the choice between any of equal service being made by drawing lots unless they otherwise agree among themselves.

The members are entitled to appoint one or more Trustees (including themselves), to remove any Trustee so appointed and to appoint another Trustee in place of any Trustee so appointed who for any reason ceases to be a Trustee. A retiring Trustee is not eligible for reappointment unless such reappointment is approved by the Trustees.

Organisational structure

The Trustees provide their services free of charge. The Portland Trust has offices in London, Tel Aviv and Ramallah. Doug Krikler runs the organisation from the London office where there are four employees. The Tel Aviv office, which opened in 2005, has four members of staff and is run by Rami Schwartz. The Ramallah office was opened in April 2006, has five members of staff, and is run by Yahya Shunnar under the chairmanship of Samir Hulileh.

Decision making

Whilst the Trustees are responsible for overseeing the activities and direction of the Charity, the Executive Committee approves expenditure on the projects undertaken by The Portland Trust. This committee comprises Trustee representatives and senior executives from each operating branch.

Induction and training of new trustees

All of the Trustees are experienced in charity matters and therefore no formal training takes place. When new issues and developments come to light the Trustees are made aware of these matters at their next meeting. Any new Trustee would be expected to have the same level of experience and knowledge as the existing Trustees.

Key management remuneration

The members of the Executive Committee comprise the key management personnel of The Portland Trust and are responsible for the direction, control and running of the Charity on a day to day basis.

All the Trustees provide their services free of charge. The pay of senior staff is reviewed annually, and rates are set at market rate for their role.

Related parties

None of the Trustees receive remuneration or other benefits from their work with The Portland Trust, although their expenses incurred in the performance of their duties as a Trustee may be paid by the Charity.

Trustees may hold a position of responsibility within organisations which receive funding from The Portland Trust. In such cases this is disclosed in the notes to the Financial Statements.

**Report of the Trustees
for the year ended 31 December 2019**

Structure, governance and management

Risk management

The Trustees regularly review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. No significant risks were identified during the year.

COVID 19

There was no major adverse impact on fundraising or project implementation in 2020 as a result of COVID 19.

The Trustees recognise the risk to fundraising and income as a result of COVID 19 and manage this risk by monitoring the activities and finances of the organisation through regular, detailed monthly management accounts including cash flow and project funding.

The Trustees have reviewed the reserves policy and do not feel that any amendments are required in light of COVID 19.

The Trustees recognise that there is a risk to the delivery of the Charity's projects as a result of COVID 19. They manage this risk through the preparation and discussion of a detailed quarterly programme update which highlights progress and any matters of concern in each project area. No action has been necessitated by COVID 19 during this time with regard to project implementation.

The Trustees recognise that there is a risk to the ability of the staff of the organisation to carry out their work effectively as a result of COVID 19. In light of the imposition of lockdowns in the UK, Israel and Palestine, the organisation has adapted to a flexible way of working across its three offices. All staff have the ability to work remotely and have done so effectively. The organisation has not furloughed any staff or made any staff redundant across the three offices.

The Trustees recognise the potential ongoing impact of COVID 19 and will continue to monitor associated financial and operational risks through the above measures in place.

Reference and administrative details

Registered Company number

04699155 (England and Wales)

Registered Charity number

1106429

Registered office

25 Farringdon Street
London
EC4A 4AB

Trustees

Ms N J Cobbold
Sir R M Cohen
Sir M L Davis
Sir H Solomon

Company Secretary

Mr S D Clarke

Auditors

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

THE PORTLAND TRUST (REGISTERED NUMBER: 04699155)

**Report of the Trustees
for the year ended 31 December 2019**

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Statement of trustees' responsibilities

The trustees (who are also the directors of The Portland Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, RSM UK Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 25 January 2020 and signed on the board's behalf by:

Sir R M Cohen - Trustee


Ronald Cohen (Jan 26, 2021 14:27 GMT+2)

Jan 26, 2021

Sir H Solomon – Trustee


HSolomon (Jan 26, 2021 16:41 GMT)

Jan 26, 2021

Report of the Independent Auditors to the Members of The Portland Trust

Opinion

We have audited the financial statements of The Portland Trust (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

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

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

Other information

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Report of the Trustees has been prepared in accordance with applicable legal requirements

Report of the Independent Auditors to the Members of The Portland Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained during the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities [set out on page 13], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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.

Our responsibilities for the audit of the financial statements

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

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

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.

RSM UK Audit LLP

Malcolm Pirouet (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Date 28 January 2021

THE PORTLAND TRUST
Statement of Financial Activities
for the year ended 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Income and endowments from					
Donations and legacies	2	1,226,047	124,283	1,350,330	2,173,014
Investment income	3	<u>443,459</u>	<u>-</u>	<u>443,459</u>	<u>418</u>
Total		1,669,506	124,283	1,793,789	2,173,432
Expenditure on Charitable activities	4				
Project expenditure		1,052,592	605,576	1,658,168	1,058,517
Support cost		610,898	-	610,898	413,671
Governance costs		-	-	-	84,330
Total		1,663,490	605,576	2,269,066	1,556,518
NET INCOME/(EXPENDITURE)		6,016	(481,293)	(475,277)	616,914
Reconciliation of funds					
Total funds brought forward		361,456	667,029	1,028,485	411,571
Total funds carried forward		<u>367,472</u>	<u>185,736</u>	<u>553,208</u>	<u>1,028,485</u>

THE PORTLAND TRUST (REGISTERED NUMBER: 04699155)

Balance Sheet
31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	10	29,990	43,189
Investments	11	<u>5</u>	<u>5</u>
		29,995	43,194
Current assets			
Debtors	12	416,341	693,588
Cash at bank		<u>344,812</u>	<u>656,956</u>
		761,153	1,350,544
Creditors			
Amounts falling due within one year	13	(237,940)	(304,141)
Net current assets		<u>523,213</u>	<u>1,046,403</u>
Total assets less current liabilities		553,208	1,089,597
Creditors			
Amounts falling due after more than one year	14	-	(61,112)
NET ASSETS		<u>553,208</u>	<u>1,028,485</u>
Funds	16		
Unrestricted funds		367,472	361,456
Restricted funds		<u>185,736</u>	<u>667,029</u>
Total funds		<u>553,208</u>	<u>1,028,485</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25 January 2020 and were signed on its behalf by:

Sir R M Cohen - Trustee

Ronald Cohen
Ronald Cohen (Jan 26, 2021 14:27 GMT+2)

Jan 26, 2021

Sir H Solomon – Trustee

HSolomon
HSolomon (Jan 26, 2021 16:41 GMT)

Jan 26, 2021

THE PORTLAND TRUST
Cash Flow Statement
for the year ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(752,837)</u>	<u>100,643</u>
Net cash (used in)/provided by operating activities		<u>(752,837)</u>	<u>100,643</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,766)	(7,732)
Distributions from investments		<u>443,459</u>	<u>418</u>
Net cash used in investing activities		<u>440,693</u>	<u>(7,314)</u>
<hr/>			
Change in cash and cash equivalents in the reporting period		(312,144)	93,329
Cash and cash equivalents at the beginning of the reporting period		<u>656,956</u>	<u>563,627</u>
Cash and cash equivalents at the end of the reporting period		<u>344,812</u>	<u>656,956</u>

THE PORTLAND TRUST

Notes to the Cash Flow Statement
for the year ended 31 December 2019

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
	2019	2018	
	£	£	
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(475,277)	616,914	
Adjustments for:			
Depreciation charges	15,965	16,034	
Distributions from investments	(443,459)	(418)	
Decrease/(increase) in debtors	277,247	(382,774)	
Decrease in creditors	(127,313)	(149,113)	
Net cash (used in)/provided by operations	<u>(752,837)</u>	<u>100,643</u>	
 2. Analysis of changes in net funds			
	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
Net cash			
Cash at bank	<u>656,956</u>	<u>(312,144)</u>	<u>344,812</u>
	<u>656,956</u>	<u>(312,144)</u>	<u>344,812</u>
Total	<u>656,956</u>	<u>(312,144)</u>	<u>344,812</u>

THE PORTLAND TRUST
Notes to the Financial Statements
for the year ended 31 December 2019

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The Financial Statements are prepared in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

Going concern

The accounts are prepared on the basis that the Charity has adequate resources to continue to operate.

The Trustees have reviewed and considered the relevant information, including the budget and future cash flows in making their assessment. In particular, in response to the COVID 19 pandemic, they have taken into account the impact on the Charity and measures it can take to mitigate the impact. Based on these assessments the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experiences and reasonable expectations of future events. Revisions to accounting estimates are recognised in the accounting period in which the revision is made.

The Portland Trust has a potential obligation to reinstate its London offices to the original layout. The Trustees do not believe that a significant liability for this exists at the year end.

Changes in accounting policies

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies: Voluntary income received by way of grants, donations and gifts is included in the Statement of Financial Activity when receivable and only when the Charity has unconditional entitlement to the income.

Investment Income

Investment income is accounted for in the period that the Charity is entitled to receipt.

Expenditure

Recognition of expenditure

Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities

These comprise the costs incurred by the Charity in the delivery of its activities and charitable activities services in the furtherance of its objects, including the making of grants and governance costs.

Other expenditure These are support costs not allocated to a particular activity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% straight line on cost
Fixtures and fittings	- at varying rates on cost
Computer equipment	- at varying rates on cost

THE PORTLAND TRUST

Notes to the Financial Statements - continued for the year ended 31 December 2019

1. Accounting policies - continued

Fixed Asset Investments

Unlisted Investments are carried in the balance sheet initially at cost and subsequently at fair value where fair value can be reasonably determined. Where fair value cannot be reliably determined, an unlisted investment is measured at cost less impairment.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds: These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.

Restricted funds: These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period.

Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred.

All exchange differences are taken into account in arriving at net income/expenditure.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The charity contributes to a defined contribution pension scheme under the automatic enrolment regime. Contributions are charged to the Statement of Financial Activities in the period in which they relate.

Financial instruments

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments, which are initially recognised at transaction value and subsequently measured at their settlement value. These include debtors, bank and cash balances and creditors.

THE PORTLAND TRUST

Notes to the Financial Statements - continued
for the year ended 31 December 2019

1. Accounting policies - continued

Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Donations and legacies

	2019 £	2018 £
Donations	<u>1,350,330</u>	<u>2,173,014</u>

3. Investment income

	2019 £	2018 £
Investments	<u>443,459</u>	<u>418</u>

Investment income of £443,459 was received in 2019 as a consequence of a distribution from a private equity investment held by the Charity

4. Charitable activities costs

	Direct Costs £	Support costs (see note 5) £	Totals £
Project expenditure	1,658,168	-	1,658,168
Support cost	<u>358</u>	<u>610,540</u>	<u>610,898</u>
	<u>1,658,526</u>	<u>610,540</u>	<u>2,269,066</u>

5. Support costs

	Management £	Finance £	Governance costs £	Totals £
Support cost	<u>362,796</u>	<u>177,854</u>	<u>69,890</u>	<u>610,540</u>

6. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Auditors remuneration	15,175	23,945
Depreciation - owned assets	16,165	16,034
Other operating leases	<u>225,093</u>	<u>232,797</u>

THE PORTLAND TRUST

Notes to the Financial Statements - continued for the year ended 31 December 2019

7. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

The Portland Trust pays for trustee indemnity insurance. Travel expenses of £1,169 were paid on behalf of N Cobbold. In 2018, Trustee travel expenses totalling £392 were paid to N Cobbold.

8. Staff costs

	2019 £	2018 £
Wages and salaries	931,656	875,883
Social security costs	124,671	94,857
Other pension costs	<u>2,654</u>	<u>2,367</u>
	<u>1,058,981</u>	<u>973,107</u>

The average monthly number of employees during the year was as follows:

	2019	2018
UK	4	5
Israel	5	3
Palestine	<u>6</u>	<u>10</u>
	<u>15</u>	<u>18</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
£100,001-£110,000	-	2
£110,001-£120,000	-	1
Over £120,000	<u>3</u>	<u>-</u>
	<u>5</u>	<u>4</u>

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	1,418,978	754,036	2,173,014
Investment income	<u>418</u>	<u>-</u>	<u>418</u>
Total	1,419,396	754,036	2,173,432
Expenditure on			
Charitable activities			
Project expenditure	971,510	87,007	1,058,517
Support cost	413,671	-	413,671
Governance costs	84,330	-	84,330

THE PORTLAND TRUST

Notes to the Financial Statements - continued
for the year ended 31 December 2019

9. Comparatives for the statement of financial activities - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Total	1,469,511	87,007	1,556,518
NET INCOME/(EXPENDITURE)	(50,115)	667,029	616,914
Reconciliation of funds			
Total funds brought forward	411,571	-	411,571
Total funds carried forward	<u>361,456</u>	<u>667,029</u>	<u>1,028,485</u>

10. Tangible fixed assets

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 January 2019	35,409	35,299	49,851	120,559
Additions	-	2,521	245	2,766
At 31 December 2019	<u>35,409</u>	<u>37,820</u>	<u>50,096</u>	<u>123,325</u>
Depreciation				
At 1 January 2019	10,033	29,467	37,870	77,370
Charge for year	7,081	2,599	6,485	16,165
Exchange differences	-	3	(203)	(200)
At 31 December 2019	<u>17,114</u>	<u>32,069</u>	<u>44,152</u>	<u>93,335</u>
Net book value				
At 31 December 2019	<u>18,295</u>	<u>5,751</u>	<u>5,944</u>	<u>29,990</u>
At 31 December 2018	<u>25,376</u>	<u>5,832</u>	<u>11,981</u>	<u>43,189</u>

11. Fixed asset investments

	Unlisted investments £
Carried Value	
At 1 January 2019 and 31 December 2019	<u>5</u>
Net book value	
At 31 December 2019	<u>5</u>
At 31 December 2018	<u>5</u>

There were no investment assets outside the UK.

During 2007 The Portland Trust was offered the opportunity to acquire a private equity partnership in Apax Europe VII founder LP at a cost of 6 Euros. Any distributions from this investment are dependent on the performance of the Apax Europe VII Fund over time. The timing and quantification of any future distributions cannot reliably be determined by the Trustees. The investment is therefore held at cost in the balance sheet at 31 December 2019 and 31 December 2018. The Trust received a distribution of EUR1,142,159 in March 2020 from Apax Europe VII Founder LP and additional distributions may be received in the future. There are no commitments or liabilities associated with this investment.

During 2013 The Portland Trust invested NIS1 in purchasing 11% of the shares of Social Finance Israel, a public benefit company. The value of this investment is £nil as no future monetary benefit will be received.

THE PORTLAND TRUST

Notes to the Financial Statements - continued
for the year ended 31 December 2019

12. Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	131,754	97,087
Prepayments and accrued income	215,216	255,493
Prepayments	-	40,680
	<u>346,970</u>	<u>393,260</u>
Amounts falling due after more than one year:		
Other debtors	69,371	125,588
Prepayments and accrued income	-	174,740
	<u>69,371</u>	<u>174,740</u>
Aggregate amounts	<u>416,341</u>	<u>693,588</u>

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Social security and other taxes	29,657	32,701
Other creditors	68,260	24,620
Accruals and deferred income	140,023	246,820
	<u>237,940</u>	<u>304,141</u>

14. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Accruals and deferred income	-	61,112

15. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Fixed assets	29,990	-	29,990	43,189
Investments	5	-	5	5
Current assets	575,417	185,736	761,153	1,350,544
Current liabilities	(237,940)	-	(237,940)	(304,141)
Long term liabilities	-	-	-	(61,112)
	<u>367,472</u>	<u>185,736</u>	<u>553,208</u>	<u>1,028,485</u>

THE PORTLAND TRUST

Notes to the Financial Statements - continued
for the year ended 31 December 2019

16. Movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
Unrestricted funds	361,456	6,016	367,472
Restricted funds			
Restricted funds	667,029	(481,293)	185,736
TOTAL FUNDS	<u>1,028,485</u>	<u>(475,277)</u>	<u>553,208</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	1,669,506	(1,663,490)	6,016
Restricted funds			
Restricted funds	124,283	(605,576)	(481,293)
TOTAL FUNDS	<u>1,793,789</u>	<u>(2,269,066)</u>	<u>(475,277)</u>

Comparatives for movement in funds

	At 1/1/18 £	Net movement in funds £	At 31/12/18 £
Unrestricted funds			
Unrestricted funds	411,571	(50,115)	361,456
Restricted funds			
Restricted funds	-	667,029	667,029
TOTAL FUNDS	<u>411,571</u>	<u>616,914</u>	<u>1,028,485</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	1,419,396	(1,469,511)	(50,115)
Restricted funds			
Restricted funds	754,036	(87,007)	667,029
TOTAL FUNDS	<u>2,173,432</u>	<u>(1,556,518)</u>	<u>616,914</u>

THE PORTLAND TRUST

Notes to the Financial Statements - continued for the year ended 31 December 2019

17. Related party disclosures

During the year, The Portland Trust received £499,632 (2018: £579,421) from The R and S Cohen Foundation, a charity of which Sir R Cohen is also a Trustee.

The R and S Cohen Foundation made a loan to The Portland Trust of £375,971 (\$480,000) during the year. The loan was repaid during the year. Interest of 2.6% was charged on the loan.

The Portland Trust received a donation of £37,037 (\$50,000), (2018 \$50,000) from The Apax Foundation of which Sir R Cohen is also a Trustee.

The Portland Trust received donations of £82,108 (NIS 373,716) and £1,719 (NIS 7,825) from Yad Hanadiv (2018: £34,741 / NIS 100,000) of which Sir R Cohen is a Trustee.

The Heathside Charitable Trust, of which Sir H Solomon is also a Trustee donated £50,000 (2018: £50,000) to The Portland Trust.

The Davis Foundation, of which Sir M Davis is also a Trustee, donated £200,000 (2018: £200,000) to The Portland Trust.

Sir R Cohen is Chair of Social Finance Israel of which The Portland Trust and Mrs N Cobbold are funding shareholders. In 2019 The Portland Trust paid \$250,000 to SFI representing the final instalment of its three-year commitment.

In 2019, The Portland Trust paid £8,690.37 to Portland Place Capital for bookkeeping and IT support.

In 2019, expenditure of £264 was paid via recharges to Portland Place Capital. The £264 relates to private healthcare. This expenditure was charged at cost and offered an opportunity to achieve cost savings not otherwise available. Sir R Cohen is a shareholder of Portland Place Capital Ltd.

In 2019, travel expense of £1,169 was paid for N Cobbold.

18. Post balance sheet events

In the view of the Trustees given the timing of the outbreak, COVID 19 is considered to be a non-adjusting event as at 31 December 2019 and consequently no adjustment is made to these financial statements.

19. Ultimate controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.