

REGISTERED CHARITY NUMBER: 1106429

**TRUSTEE'S REPORT AND FINANCIAL STATEMENTS FOR THE
PORTLAND TRUST
(a Company Limited by Guarantee)**

FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 10
Report of the Independent Auditors	11 to 12
Statement of Financial Activities	13
Summary Income and Expenditure Account	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Financial Statements	17 to 30

Reference and Administrative Details of the Charity

TRUSTEES	Sir R M Cohen Sir H Solomon Sir M Davis Mrs N Cobbold
CHIEF EXECUTIVE OFFICER	Ms Suzanne Jacobs (until 31 October 2018) Mr D Krikler (from 1 November 2018)
COMPANY SECRETARY	Ms S Higgins (resigned 31 October 2018) Ms K Cook (appointed 1 November 2018)
REGISTERED OFFICE	25 Farringdon Street London EC4A 4AB
REGISTERED COMPANY NUMBER	4699155 (England and Wales)
REGISTERED CHARITY NUMBER	1106429
INDEPENDENT AUDITORS	RSM UK Audit LLP, Statutory Auditor Chartered Accountants 25 Farringdon Street London EC4A 4AB
SOLICITORS	Bates, Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH
BANKERS	HSBC Bank plc 196 Oxford Street London W1D 1NT

Report of the Trustees for the Year Ended 31 December 2018

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 2018. 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The Portland Trust (TPT) was incorporated on 17 March 2003 and gained charitable status on 26 October 2004. TPT 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

TPT 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 TPT during 2018 as detailed in the notes to the Financial Statements, as well as initiatives where TPT 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 Investment Policy

Working with local and international partners, TPT 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, TPT 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.

Grant making

Grants may be made to organisations which TPT 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, TPT does not have anyone working on a volunteer basis.

Report of the Trustees for the Year Ended 31 December 2018

ACHIEVEMENT AND PERFORMANCE – CHARITABLE ACTIVITIES

As an ‘action tank,’ TPT’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.

Job Creation

Beyond Aid: A Palestinian Private Sector Initiative for Investment, Growth and Employment

During 2013, TPT worked jointly with a number of Palestinian business leaders and McKinsey & Company to develop a comprehensive private sector-led economic initiative, intended to promote sustainable growth and job creation in the Palestinian economy. TPT and McKinsey teams worked together in Ramallah, conducting extensive analysis and consultation with over 250 key stakeholders from all over the West Bank as well as local and international experts from across a wide range of economic sectors. The resulting report presented general strategies and specifies investment opportunities in five high-potential sectors: agriculture, construction, information technology and digital entrepreneurship, energy and tourism. During 2018, TPT, through all its offices, continued its efforts to support a number of projects and catalytic interventions across some of the prioritised sectors.

IT and Computer Science Education Programme and Entrepreneurship

As recommended in the Beyond Aid report, TPT increased its focus on growing employment in the Palestinian technology sector. TPT's three pillar programme included working to increase Palestine's share of the global outsourcing market by helping to develop capacities in niche tech industries and attracting multinational companies (MNCs) to outsource to Palestine; promoting entrepreneurship and innovation by increasing exposure and linkages to successful international tech ecosystems and improving the local business and regulatory environment; and working to improve school and university tech education to align with international industry requirements and best practice.

TPT identified semiconductor design verification as a niche subsector with high potential to foster growth and employment in the technology sector, based on a growing outsourcing market. TPT in consultation with local and international stakeholders designed a tailored postgraduate training and business development programme to bridge graduate skill gaps and enable job creation through partnerships with multinational companies (MNCs) in this sub sector. In 2017, TPT partnered with several MNCs working in the semiconductor industry, a training provider, local IT companies and The Palestinian Market Development Programme (PMDP) to launch and deliver a successful pilot which led to the establishment of business relationships and outsourcing contracts for the participants with several MNCs offering new job opportunities to Palestinian computer engineers. This initiative continued throughout 2018, and TPT worked to increase design verification opportunities. TPT identified a gap in the capacity of university graduates to meet industry requirements, and assisted Palestinian universities to revisit their computer engineering course content and delivery methods. Working with a leading MNC, TPT supported the establishment of a Very Large-Scale Integration Laboratory (VLSI lab) within Al-Najjah University to provide students with practical training on the most advanced industry tools. This pilot project proved highly successful and will be scaled-up across three to four additional universities during 2019.

In July 2018, TPT organised a fact-finding mission for Tech Nation to Palestine. Together with local partners as well as the World Bank Group and Tech Nation, TPT prepared a range of initiatives during 2018, designed to support the development of the tech ecosystem in Palestine during 2019.

In the summer of 2018, the fourth summer camp of Code for Palestine, a school coding programme to attract top secondary school students to the field of computer science, was held and included 47 students from the West Bank and Gaza. TPT helped establish the programme in 2015 in partnership with the PalTel Foundation. Since then, the programme has focused on providing summer camps and a yearlong programme for selected students who are mentored by US university undergraduates. Implementation is being led by the PalTel Foundation.

Report of the Trustees for the Year Ended 31 December 2018

Shefar'am Industrial Park

As part of its efforts to promote economic development, create employment opportunities and alleviate poverty in the Israeli periphery and within Arab Israeli population centres in particular, TPT is working on the development of a regional industrial park in Shefar'am. Located 15 minutes from Haifa, situated along two regional motorways and with business and public leadership support, Shefar'am regional industrial park has the potential to provide quality employment opportunities and industrial development that will raise the standard of living for the Arab population.

During 2018, TPT maintained a central role coordinating, advising and advancing the establishment of the industrial park. TPT also continued to assist in facilitating the development of key projects including the export hub for Arab Israeli companies and cooperation between Shefar'am and the city of Yokneam.

The Development of the Palestinian Agricultural Sector

As recommended in Beyond Aid, the uplifting of farmers' knowledge and skills is a necessary condition towards the agriculture sector achieving its potential. TPT has been promoting the establishment of an effective Agriculture Knowledge and Information System (AKIS), which comprises the institutions and organisations that generate and disseminate knowledge and information to support agriculture production, marketing, and post-harvest handling of agricultural products and management of natural resources. Most AKIS projects support agricultural research, extension, or education activities, which are increasingly viewed as components of an inter-related system. An AKIS is an essential component to increasing the productivity and the profitability of farmers through adoption of new technologies, crops, and technical approaches.

During 2018, TPT continued to be a leading advocate for the establishment of an effective AKIS in Palestine. In July 2018, TPT organised, in collaboration with the Food and Agriculture Organisation (FAO), The Ministry of Agriculture (MoA), and the National Agriculture Research Center (NARC), a sector-wide technical seminar and roundtable discussion on innovative potential in the agriculture sector, titled "Reviving the agriculture sector through knowledge transfer and innovation." The aim of the seminar was to introduce AKIS best practices (including case studies from Israel), initiate discussions on improvement of coordination among stakeholders, and bridge existing know-how gaps within the sector. During the one-day seminar, which was attended by over 60 sector experts, feedback on major impediments to the sector was collected and will inform further initiatives in 2019.

Infrastructure

Gaza

In partnership with a number of leading Palestinian private sector companies, TPT began working in 2015 with a team at AECOM (a global provider of architecture, design, engineering and construction services for public and private clients) on the development of a comprehensive long-term spatial vision for Gaza. The work was guided by a private sector coordinating committee and was developed around three time horizons, covering the short, medium and long term. Interim reports and documents were prepared, all of which informed the final report 'Global Palestine Connected Gaza, A Spatial Vision for the Gaza Governorates' which was produced and launched in May 2016. The Spatial Vision is both rooted in an understanding of the current conditions in Gaza, Palestine as a whole and the broader region and based on a holistic assessment of the key opportunities and constraints for Gaza's urban development, emphasising core qualities that could encourage economic development and create adequate conditions for private sector investment. Analysis and recommendations around key transport, utilities and other urban infrastructure serve the overall Vision. The work identifies over 70 transformative projects with the potential to drive the Vision in the near, mid and longer term.

Report of the Trustees for the Year Ended 31 December 2018

After the formal launch in May 2016, the private sector coordinating committee continued to drive its implementation, hiring a dedicated team based in Ramallah and Gaza to coordinate the next stage. TPT continued to support the coordinating committee and this team by transferring knowledge, providing technical assistance and assisting in stakeholder engagement efforts. The team worked with a wide range of local and international stakeholders, including businesses, development finance and bilateral aid institutions, donor countries and Palestinian government representatives. In 2018, TPT continued to support the efforts of the private sector coordinating committee and further development of project ideas in line with the Vision.

Economic Development of the Israeli-Arab Community: Regional Growth Engines Initiative

Israel's Arab population constitutes 21% of the total Israeli population but currently contributes only 9% to Israel's GDP which leads to an estimated loss of NIS 30 billion a year for the Israeli economy. Employment rates are significantly lower among the Arab population: only 35 % of Arab women aged 25-64 work compared to 82% of Jewish women. The industrial area per capita in Jewish localities is seven times larger than in Arab localities. 53.3% of the Arab population live below the poverty line in Israel compared to 13.6% of the Jewish population.

To help address these imbalances, Arab community leaders from the private and public sector, together with TPT, launched an initiative to produce a private-sector led framework for regional Arab sector economic growth in December 2018. The aim of the initiative is to create structural economic and social change through advancement of a set of regional, coordinated catalytic projects, supported by enabling tools and effective implementation mechanisms.

The initiative will select a pilot region based on a range of professional criteria and apply a robust methodology to develop an impactful, coherent and concrete plan for economic growth in that specific region with the potential for future scale-up across additional regions. The initiative will address the diversity of the Arab population and will put special emphasis on gender equality and youth opportunity.

Capital Raising and Risk Mitigation

In 2009, Koret Israel Economic Development Fund (KIEDF) secured a \$10m second-loss bank guarantee from the Overseas Private Investment Corporation (OPIC) to leverage nearly \$150m of bank financing over 7 years (subsequently extended to 8 years). In January 2010, a loan guarantee project was launched to benefit 3,600 small and medium sized enterprises (SMEs) in Israel's Negev and Galilee regions. Loans of \$12,500 to \$300,000 were available for SMEs with potential for job creation. By the end of 2018, the total number of facilities granted under the programme since its creation amounted to 1,458 (788 in the Galilee and 670 in the Negev), totalling over 420m Israeli Shekels. The majority of the loans have gone to small businesses. TPT has financially supported this initiative from its commencement.

In 2018, KIEDF made the second instalment of its 5-year repayment to TPT. The first payment was made in December 2017.

Social Impact Investment

Bridges Israel

Throughout 2017, TPT worked to support the establishment of Bridges Israel (BI) and the launch of its first impact fund, whose objective is to address social issues through investment in private companies in Israel's socio-economic periphery.

The fund's first closing was held in March 2018, and in August 2018 BI left the offices of TPT where it had been incubated and moved to its own premises. During 2018, BI deployed approximately \$9m in line with its mandate.

Report of the Trustees for the Year Ended 31 December 2018

As an impact investment fund, BI invests in Israeli businesses to generate competitive financial returns alongside significant measurable social Impact. BI invests in companies in the growth stage located in the socio-economic periphery and in technology companies that help solve global social or environmental issues (tech for good). All will have potential to generate strong financial returns, whilst focusing on four key segments: Underserved Communities, Health & Wellness, Education & Skills and Sustainable Living. The fund will invest in SMEs that offer high growth potential or in technology companies that can achieve global impact within the four themes.

Social Finance Israel

In 2013, following extensive research into the potential for Impact Investment and Social Impact Bonds (SIBs) in Israel, TPT, together with eight local and international founding shareholders, launched Social Finance Israel (SFI), a sister company to Social Finance UK and Social Finance US. SIBs are financial products that raise capital from institutional and private investors to fund not-for-profit organisations that work to reduce the incidence of certain social issues. If the performance of the not-for-profit organisation is effective, a cost-saving is enjoyed by the government. This expected saving is quantifiable and a proportion of it is returned to the investor, via a social intermediary.

The first ever SIB in Israel was launched by SFI in October 2015. The \$2.1m bond targets a reduction in dropout rates among 600 computer science students at higher education institutions. The first outcomes payment was made to investors in January 2017 and the third cohort of students began the programme in Autumn 2017. In March 2016, SFI launched a \$5m SIB to reduce the incidence of Type II Diabetes amongst 2,250 high risk pre-diabetics. If the intervention is successful, two Israeli public health organisations and the National Insurance Institute will repay investors in return for the savings from the reduction of healthcare costs. In 2017 recruitment of participants advanced and over 150 participants commenced the programme.

During 2018, TPT continued to provide financial support to SFI, enabling its ongoing work to develop further SIBs including those aimed at reducing recidivism, increasing the volume of students in the Bedouin community completing higher level mathematics studies and a reduction in the rate of mortality from colon cancer. SFI also continued to advance its advisory services.

Development Impact Bonds (DIBs) for Palestine

TPT has focused on the potential for Development Impact Bonds to help tackle certain pressing social issues in Palestine. This innovative mechanism can help leverage previously untapped capital, foster innovation and social entrepreneurship and, more generally, help shift donors' approach to development by focusing on measurable outcomes. TPT prepared the design for a DIB to reduce the growing Type II Diabetes epidemic in Palestine. In September 2016, in consultation with an expert advisory board, TPT launched a nine-month pilot in the West Bank with the participation of 18 pre-diabetic women. The intervention was delivered by a local public health NGO with a strong track record. The pilot consisted of 12 weekly sessions and bi monthly follow up sessions for 6 months. The pilot completed in May 2017 and achieved its objectives of assessing the service provider's ability to deliver the intervention and the appeal of the intervention to the targeted demographic.

Following the pilot which exceeded expectations in reaching pre-defined metrics, TPT worked throughout the second half of 2017 and 2018 to scale up the intervention through the launch of a DIB to reach 150 pre-diabetic women in the West Bank. TPT succeeded in raising \$150,000 in investment from the Bank of Palestine, the largest national bank, in 2017, and \$150,000-250,000 as an outcome payment based on the attainment of specific targets from the Paltel Group, the largest Telecom provider in Palestine. Throughout 2018, TPT worked with both parties to structure the DIB and prepare for the launch which took place in January 2019.

Report of the Trustees for the Year Ended 31 December 2018

Publications, Research and Events

Palestinian Economic Bulletin

TPT 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 700 international and local subscribers.

FINANCIAL REVIEW

Financial Position

As detailed in the Review of Activities and the Notes to the Financial Statements, TPT has driven and contributed to a number of initiatives. Sufficient income has again been secured to meet all of our commitments. At 31 December 2018 we have a very liquid balance sheet with a cash position of £656,956 which helps to secure our plans to promote economic stability in the Middle East into 2019 and beyond.

Principal Funding Sources

TPT 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

TPT carries out a blend of both long term 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 2018 unrestricted retained reserves totalled £361,456 and restricted retained reserves were £667,029.

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

FUTURE DEVELOPMENTS

Beyond Aid Implementation

TPT continues to support the implementation of initiatives outlined in the Beyond Aid report as detailed below.

IT and Computer Science Education Programme and Entrepreneurship

TPT continues to develop its priority projects in the sector. Activities include scaling and diversifying the semiconductor design verification training and business development initiative; supporting growth of the sector by facilitating outreach and connections between local and international ICT companies; supporting the launch of specialised VSLI Labs at Palestinian universities; and partnering with Tech Nation in the UK and the local tech community to help develop the Palestinian entrepreneurship and tech ecosystem.

Gaza

TPT 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.

Report of the Trustees for the Year Ended 31 December 2018

The Development of the Palestinian Agricultural Sector

Building on the momentum and feedback collated during the 2018 seminar (above), TPT continues to liaise with potential champions, to develop programmes focusing on the transfer of technology and know-how to the Palestinian agriculture sector. TPT will work on specific interventions (i.e. technologies, crops, or practices) to be localised and tailored to achieve greatest impact within the Palestinian context.

Economic Development of the Israeli-Arab Community: Regional Growth Engines Initiative

TPT continues to work towards the development of Arab localities in Israel during 2019 through the following initiatives:

- A private-sector led framework for regional Arab sector economic growth with the following goals: achieving higher salary ranges, a higher percentage of working women and raising the GDP contribution of the Arab sector and its integration into the wider Israeli economy
- A national plan to develop new urban neighbourhoods in existing Arab cities and large villages
- Seeking to ensure that Government and municipal tenders and bids are accessible to Arab businesses

The Negev and Galilee Loan Guarantee Project

KIEDF is expected to make the third instalment of its 5-year repayment to TPT in 2019.

Social Finance Israel

TPT continues to support the work of SFI during 2019.

Development Impact Bonds (DIBs) for Palestine

TPT is continuing to support the implementation of the DIB to address the incidence of Type II Diabetes amongst 150 pre-diabetic women in the West Bank following its launch in January 2019. TPT continues to work in an advisory capacity towards the successful completion of the 3-year programme.

Palestinian Economic Bulletin

TPT continues to publish the monthly Palestinian Economic Bulletin. In early 2019, TPT launched an Arabic-language version of the bulletin alongside the regular English version.

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.

Report of the Trustees for the Year Ended 31 December 2018

Organisational Structure

The Trustees provide their services free of charge. TPT 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 eight 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 TPT. 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 TPT 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 TPT, 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 TPT. In such cases this is disclosed in the notes to the Financial Statements.

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.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of TPT 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;
- 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.

Approved by order of the board of trustees on 8th August 2019 and signed on its behalf by:



.....
Sir R M Cohen - Trustee

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

Opinion on financial statements

We have audited the financial statements of The Portland Trust (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, 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 2018 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 Report of the Trustees 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

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 in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, 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.

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

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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: **19 September 2019**

The Portland Trust
STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:					
Donations and legacies	4	1,418,978	754,036	2,173,014	1,721,481
Investments	5	418	-	418	27
Total		1,419,396	754,036	2,173,432	1,721,508
Expenditure on:					
Charitable activities	6	1,469,511	87,007	1,556,518	1,524,719
Total		1,469,511	87,007	1,556,518	1,524,719
Net gains on investments		-	-	-	-
Net income	10	(50,115)	667,029	616,914	196,789
Net income before other gains/(losses)		(50,115)	667,029	616,914	196,789
Other gains and losses:					
Net movement in funds		(50,115)	667,029	616,914	196,789
Reconciliation of funds:					
Total funds brought forward		411,571	-	411,571	214,782
Total funds carried forward		361,456	667,029	1,028,485	411,571

CONTINUING OPERATIONS

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure has arisen from continuing activities

The notes form part of these financial statements

The Portland Trust
SUMMARY INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 2018

	2018 £	2017 £
Income	2,173,432	1,721,508
Gross income for the year	<u>2,173,432</u>	<u>1,721,508</u>
Expenditure	1,556,518	1,524,719
Total expenditure for the year	<u>1,556,518</u>	<u>1,524,719</u>
Net income before tax for the year	616,914	196,789
Net income for the year	<u><u>616,914</u></u>	<u><u>196,789</u></u>

The Portland Trust
BALANCE SHEET

at 31 December 2018

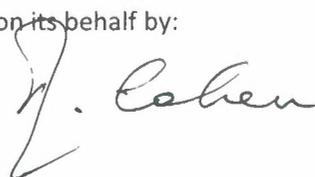
Company No. 04699155	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	13	43,189	51,491
Investments	14	5	5
		<u>43,194</u>	<u>51,496</u>
Current assets			
Debtors	15	693,588	310,814
Cash at bank and in hand		656,956	563,627
		<u>1,350,544</u>	<u>874,441</u>
Creditors: Amount falling due within one year	16	<u>(304,141)</u>	<u>(282,036)</u>
Net current assets		1,046,403	592,405
Total assets less current liabilities		1,089,597	643,901
Creditors: Amounts falling due after more than one year	17	<u>(61,112)</u>	<u>(232,330)</u>
Net assets excluding pension asset or liability		1,028,485	411,571
Total net assets		<u>1,028,485</u>	<u>411,571</u>
The funds of the charity			
Restricted funds			
Restricted income funds	18	<u>667,029</u>	-
		667,029	-
Unrestricted funds			
General funds	18	<u>361,456</u>	411,571
		361,456	411,571
Total funds		<u>1,028,485</u>	<u>411,571</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

Approved by the board on 8th August 2019

And signed on its behalf by:

Sir R Cohen
Trustee




Sir H Solomon
Trustee

The notes form part of these financial statements

The Portland Trust
STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

	2018	2017
	£	£
Cash flows from operating activities		
Net income per Statement of Financial Activities	616,914	196,789
Adjustments for:		
Depreciation of property, plant and equipment	16,034	12,100
Dividends, interest and rents from investments	(418)	(27)
(Increase)/Decrease in trade and other receivables	(382,774)	60,832
Decrease in trade and other payables	(149,113)	(225,266)
Net cash provided by operating activities	<u>100,643</u>	<u>45,372</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(7,732)	(44,024)
Dividends, interest and rents from investments	418	27
Net cash used in investing activities	<u>(7,314)</u>	<u>(43,997)</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	93,329	1,375
Cash and cash equivalents at the beginning of the year	563,627	562,252
Cash and cash equivalents at the end of the year	<u>656,956</u>	<u>563,627</u>
Components of cash and cash equivalents		
Cash and bank balances	656,956	563,627
	<u>656,956</u>	<u>563,627</u>

The notes form part of these financial statements

The Portland Trust
NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Financial Statements are 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.

Change in basis of accounting or to previous accounts

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.

Critical accounting estimates and areas of judgement

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.

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.

Income

Recognition of income Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.

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

The Portland Trust
NOTES TO THE ACCOUNTS

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 services in the furtherance of its objects, including the making of grants and governance costs.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

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

Tangible fixed assets and depreciation

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
Fixtures and fittings	10 - 33% straight line
Computer Equipment	20 - 33% straight line

Fixed assets are capitalised at cost. Depreciation is provided at the noted annual rates in order to write off each asset over its estimated useful life.

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.

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.

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.

Leased assets

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 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.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital. The company is incorporated in England and Wales. The registered office is 25 Farringdon Street, London, EC4A 4AB

The Portland Trust
NOTES TO THE ACCOUNTS

3 Statement of Financial Activities - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Income and endowments from:			
Donations and legacies	1,721,481	-	1,721,481
Other	27	-	27
Total	1,721,508	-	1,721,508
Expenditure on:			
Charitable activities	1,492,440	32,279	1,524,719
Total	1,492,440	32,279	1,524,719
Net income	229,068	(32,279)	196,789
Net income before other gains/(losses)	229,068	(32,279)	196,789
Other gains and losses:			
Net movement in funds	229,068	(32,279)	196,789
Reconciliation of funds:			
Total funds brought forward	182,503	32,279	214,782
Total funds carried forward	411,571	-	411,571

4 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Donations	1,418,978	754,036	2,173,014	1,721,481
	<u>1,418,978</u>	<u>754,036</u>	<u>2,173,014</u>	<u>1,721,481</u>

The Portland Trust
NOTES TO THE ACCOUNTS

5 Investment income

	Unrestricted	Total	Total
		2018	2017
	£	£	£
	418	418	27
	<u>418</u>	<u>418</u>	<u>27</u>

6 Expenditure on charitable activities

	Unrestricted	Restricted	Total	Total
			2018	2017
	£	£	£	£
<i>Expenditure on charitable activities</i>				
Project expenditure	971,510	87,007	1,058,517	1,024,702
Support costs	413,671	-	413,671	442,364
<i>Governance costs</i>				
Audit fee	23,945	-	23,945	14,400
Legal and professional fees	60,385	-	60,385	43,253
	<u>1,469,511</u>	<u>87,007</u>	<u>1,556,518</u>	<u>1,524,719</u>

The Portland Trust
NOTES TO THE ACCOUNTS

7 Project Costs

	Unrestricted	Restricted	Total 2018	Total 2017
	£	£	£	£
Staff costs	902,241	80,706	982,947	875,283
Strategy Meeting	13,765	-	13,765	8,034
Agricultural knowledge and information centre	670	1,001	1,671	13,911
IT Education	1,231	5,300	6,531	-
Palestinian Economic bulletin	51,733	-	51,733	53,579
Type 2 Diabetes Development Impact Bond	1,739	-	1,739	5,563
Global Social Impact Investment Steering Group	-	-	-	12,627
IT Outsourcing	-	-	-	6,040
Shefaram	-	-	-	7,019
Social Impact Investment	-	-	-	21,719
Tsofen	-	-	-	20,700
Other projects < £5,000	131	-	131	227
	<u>971,510</u>	<u>87,007</u>	<u>1,058,517</u>	<u>1,092,807</u>

In December 2016 the trustees approved a commitment to Social Finance Israel of \$250,000 per annum to be paid in 2017,2018 and 2019 which was recognised as expenditure in full in 2016 in accordance with the Charities Sorp (FRS102).

The Global Social Impact Investment Steering Group was previously known as The Social Investment Taskforce established by the G8.

The Portland Trust
NOTES TO THE ACCOUNTS

8 Support Costs

	Unrestricted	Restricted	Total 2018	Total 2017
	£	£	£	£
Rent and rates	232,797	-	232,797	240,210
Insurance	13,682	-	13,682	17,499
Electricity	10,499	-	10,499	10,562
Telephone	18,760	-	18,760	18,427
Postage and stationery	4,787	-	4,787	7,911
Sundries	9,225	-	9,225	25,555
Premises costs	15,024	-	15,024	13,865
Travel	66,576	-	66,576	51,942
Meetings	893	-	893	384
Canteen	5,033	-	5,033	3,891
Computers	15,682	-	15,682	14,625
Depreciation	16,034	-	16,034	12,130
Bank charges	15,287	-	15,287	4,343
Exchange rate movements	(10,608)	-	(10,608)	21,020
	<u>413,671</u>	<u>-</u>	<u>413,671</u>	<u>442,364</u>

All support costs in 2017 were unrestricted.

9 Governance costs

	Unrestricted	Restricted	Total 2018	Total 2017
	£	£	£	£
Auditors remuneration	23,945	-	23,945	14,400
Legal and professional fees (including recruitment costs)	60,385	-	60,385	43,253
	<u>84,330</u>	<u>-</u>	<u>84,330</u>	<u>57,653</u>

All governance costs in 2017 were unrestricted.

Auditors remuneration in 2018 includes the audit costs for all three branches. In 2017 the audit costs of Ramallah and Tel Aviv were included in legal and professional fees

The Portland Trust
NOTES TO THE ACCOUNTS

10 Net income before transfers

	2018	2017
This is stated after charging:	£	£
Other operating leases	228,664	22,266
Depreciation of owned fixed assets	15,165	12,100
Auditors' remuneration	23,945	14,400

11 Trustee remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 or 31 December 2017. The Portland Trust pays for Trustee indemnity insurance. Travel expenses of £392 were paid on behalf of Nicola Cobbold. In 2017 Trustee travel expenses totalling £159 were paid to N Cobbold.

	2018	2017
	Number	Number
Number of trustees paid expenses	1	1

The Portland Trust
NOTES TO THE ACCOUNTS

12 Staff costs	2018	2017
	£	£
Wages and Salaries	875,884	793,210
Social security costs	94,857	80,567
Pensions	2,367	1,506
Project consultant costs	9,840	-
	<u>982,948</u>	<u>875,283</u>

Key Management personnel are members of the Executive Committee, comprising the Trustees, the Chief Executive Officer, and the Managing directors of the Tel Aviv and Ramallah offices.

The total employee benefits of key management personnel including employer's taxes and National Insurance was £361,644 (2017: £312,433)

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

	2018	2017
	Number	Number
UK	5	6
Israel	3	3
Palestine	10	9
	<u>18</u>	<u>18</u>

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

	2018	2017
	Number	Number
£70,001 - £80,000	-	1
£90,001 - £100,000	1	1
£100,001 - £110,000	2	1
£110,001 - £120,000	1	-
	<u>4</u>	<u>3</u>

The Portland Trust
NOTES TO THE ACCOUNTS

13 Tangible fixed assets

	Improvements to property £	Computer Equipment £	Fixtures and fittings £	Total £
Cost or revaluation				
At 1 January 2018	35,409	45,852	32,435	113,696
Additions	-	4,868	2,864	7,732
Disposals	-	(869)	-	(869)
At 31 December 2018	<u>35,409</u>	<u>49,851</u>	<u>35,299</u>	<u>120,559</u>
Depreciation and impairment				
At 1 January 2018	2,951	31,794	27,460	62,205
Depreciation charge for the year	7,082	6,945	2,007	16,034
Disposals	-	(869)	-	(869)
At 31 December 2018	<u>10,033</u>	<u>37,870</u>	<u>29,467</u>	<u>77,370</u>
Net book values				
At 31 December 2018	<u>25,376</u>	<u>11,981</u>	<u>5,832</u>	<u>43,189</u>
At 31 December 2017	<u>32,458</u>	<u>14,058</u>	<u>4,975</u>	<u>51,491</u>

14 Fixed Asset Investments

	Unlisted investments £	Total £
Cost or revaluation		
At 1 January 2018	5	5
At 31 December 2018	<u>5</u>	<u>5</u>
Net book values		
At 31 December 2018	<u>5</u>	<u>5</u>
At 31 December 2017	<u>5</u>	<u>5</u>

There were no investments outside the UK.

During 2007 The Portland Trust was offered the opportunity to acquire a private equity partnership in Apax Europe V11 founder LP at a cost of 6 Euros. Any distributions to the Trust arising in the future are dependent on the performance of the Apax Europe V11 Fund. There are no commitments or liabilities associated with this investment.

During 2013 the 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 ACCOUNTS

15 Debtors

	2018	2017
	£	£
Amounts falling due with one year:		
Other debtors	97,087	95,955
Prepayments and accrued income	296,173	35,917
	<u>393,260</u>	<u>131,872</u>
Amounts falling due after more than one year:		
Accrued Income	174,740	-
Other debtors	125,588	178,942
Total Debtors	<u>693,588</u>	<u>310,814</u>

Other debtors falling due after more than one year relate to a long term loan. In 2009 The Portland Trust and Koret Israel Economic Development Funds signed a loan agreement that the Portland Trust would transfer US\$100,000 to KIEDF annually for 5 years starting in 2009 to provide guarantees for small businesses. 80% of the amount transferred is an interest free loan of \$400,000 and 20% is project funding for KIEDF. The loan balance at 31 December 2018 of \$240,000 is repayable in 3 annual instalments of US80,000 per annum.

16 Creditors:

Amounts falling due within one year

	2018	2017
	£	£
Other taxes and social security	32,701	17,249
Other creditors	24,620	22,150
Accruals and deferred income	246,820	242,637
	<u>304,141</u>	<u>282,036</u>

Accrued expenses due in one year include £191,720 relating to committed project expenditure in 2019 (2017: £185,185 relating to committed project expenditure in 2018)

17 Creditors:

Amounts falling due after more than one year

	2018	2017
	£	£
Accruals and deferred income	61,112	232,330
	<u>61,112</u>	<u>232,330</u>

The Portland Trust
NOTES TO THE ACCOUNTS

18 Movement in funds

	At 1 January 2018	Income £	Expenditure £	At 31 December 2018 £
Restricted funds:				
Restricted income funds:				
Klarman Family Foundation Fund	-	158,115	-	158,115
Kirsh Foundation Fund	-	501,779	(87,007)	414,772
Yad Hanadiv Fund	-	94,142	-	94,142
<i>Total</i>	-	754,036	(87,007)	667,029
Unrestricted funds:				
General funds	411,571	1,419,396	(1,469,511)	361,456
Revaluation Reserves:				
Total funds	411,571	2,173,432	(1,556,518)	1,028,485

Purposes and restrictions in relation to the funds:

Restricted funds:

Klarman Family Foundation Fund The Klarman Family Foundation grant has been given to fund the Regional Growth Engine Initiative.

Kirsh Foundation Fund The Kirsh Foundation grant has been given for Palestinian projects and has been allocated to IT and agriculture direct expenditure, with the balance being allocation of staff costs.

Yad Hanadiv Fund The Yad Hanadiv grant has been given to fund the Regional Growth Engine Initiative

The Portland Trust
NOTES TO THE ACCOUNTS

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets	43,189	-	43,189
Investments	5	-	5
Net current assets	379,374	667,029	1,046,403
Creditors due in more than one year	(61,112)	-	(61,112)
	<u>361,456</u>	<u>667,029</u>	<u>1,028,485</u>

20 Analysis of net assets between funds - Prior Year

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets	51,491	-	51,491
Investments	5	-	5
Net current assets	592,405	-	592,405
Creditors due in more than one year	(232,330)	-	(232,330)
	<u>411,571</u>	<u>-</u>	<u>411,571</u>

21 Commitments

Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2018	2017
	Land and buildings	Land and buildings
	£	£
Operating leases with expiry date:		
Within one year	110,076	190,876
In the second to fifth years inclusive	40,000	140,821
	<u>150,076</u>	<u>331,697</u>

22 Related party disclosures

Controlling party

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

Related Party Transactions

During the year the Portland Trust received £579,421 (2018:£627,128) 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 £280,000 during the year. The loan was repaid during the year. Interest of 1% annual interest was charged on the loan.

The Heathside Charitable Trust, of which Sir H Solomon is also a Trustee donated £50,000 (2017:£50,000) to the charity.

The Mick Davis Foundation, of which Sir M Davis is also a Trustee, donated £200,000 (2017:150,000).

Sir R Cohen is Chair of Social Finance Israel of which the Portland Trust and Mrs N Cobbold are founding shareholders. The related project commitment outstanding at the year end was £191,720 (2017: £370,370).

In 2018 the charity paid £11,321 to Portland Place Capital for bookkeeping and IT support.

In 2017 expenditure included £16,557 paid via recharges to Portland Place Capital broken down as follows: travel and meeting costs £892, office expenses £14,796, private healthcare £869. 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. At 31 December 2017 creditors included £791 relating to Portland Place Capital.