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**Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2021
for
THE PORTLAND TRUST**

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THE PORTLAND TRUST
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for the year ended 31 December 2021

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THE PORTLAND TRUST
Report of the Trustees
for the year ended 31 December 2021

The Trustees, who are also directors of The Portland Trust (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 2021. 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

Objectives and aims

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 2021 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 may also 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 no volunteers in 2021.

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Strategic report

Achievement and performance

Charitable activities

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 4 to the Financial Statements.

A. Palestine Programme

Over the years, The Portland Trust has worked to help develop the Palestinian private sector by investigating and catalysing investment and job-creation opportunities, aiming to promote sustainable growth in the Palestinian economy. The Portland Trust has partnered with local and international actors to drive development across various economic sectors including housing and construction, energy, water, agriculture and tourism.

1. Palestinian IT Sector

As recommended in the Beyond Aid report (The Portland Trust, 2013), the Trust has maintained its commitment to generating employment in the Palestinian technology sector, and this formed the principal focus of its programme in 2021.

Currently, there are over 600 tech companies in Palestine, employing over 8,500 workers. Most of these companies are micro businesses, with a small number of SMEs working in R&D software outsourcing for multinational corporations or providing business process outsourcing for services such as call centre support and data entry. In addition, there is a slowly emerging digital entrepreneurship scene with growing investment and several early-stage start-ups.

Despite its potential, the tech sector remains small, constituting less than 0.4% of Palestinian GDP. Key impediments include:

- lack of exposure to international technological and talent development: according to employers, missing skills include both technical and business (soft skill) competencies;
- legal framework and bureaucratic procedures: the World Bank's 2020 Doing Business Report ranked Palestine 117th on the ease of doing business index out of a total of 190 countries; and
- the education system: formal education offers minimal interaction with technology and the private sector and does not incentivise problem-solving and innovation. With human capital regarded as the most important input for tech sector development, modernising the education system is vital to the creation of a suitable and sustainable enabling environment.

Notwithstanding, Palestine has a sizable talent pool with relatively high levels of academic attainment. Currently, all thirteen universities in the West Bank and Gaza have IT departments, with around 1,500 students graduating annually. However, the unemployment rate among Computer Science graduates remains high, standing at 45% in Gaza and 18% in the West Bank, with only 10% of tech graduates typically securing employment within the sector each year.

As such, in 2021 The Portland Trust focused its efforts on catalysing accelerated growth in the Palestinian tech sector by developing scalable solutions for matching international employers with well-vetted and locally trained talent.

Catalysing IT Outsourcing Growth Through Addressing Geographical Disparities

In 2021, The Portland Trust identified an opportunity to boost employment in IT outsourcing both in Nablus, Hebron, Ramallah and Rawabi.

Despite the operational difficulties introduced by the global pandemic and resultant economic crisis in 2021, the outsourcing model has a high potential to address business needs given the global trend for adopting remote working combined with more competitive rates for international outsourcing clients in the chosen cities.

In essence, The Portland Trust initiative set out to strengthen the capacity of local providers to deliver graduate tech training to international standards, on a commercially sustainable basis. In parallel, it aimed to increase market exposure and business development for local IT companies to help secure outsourcing contracts, generating increased employment opportunities for programme participants, directly improving their lives and livelihood whilst boosting the growth of the sector more broadly.

In 2021, The Portland Trust focused on three core workstreams in preparation for the formal launch of the programme, namely talent development, business development and sustainable financial structuring.

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Talent Development: The Portland Trust conducted in-depth research and analysis of international tech training programmes and developed a curriculum in line with international best practice adapted to local circumstances. In particular, it addresses the skills gap between Palestinian university graduates and commercial market requirements and most significantly builds the capacity of local service providers to deliver the training.

The Portland Trust selected a Nablus-based IT company as the training partner; Kiitos, a Palestinian-Dutch company with offices in Nablus and Amsterdam as the lead service provider. The Portland Trust worked with Kiitos to design a selection process to recruit STEM (Science, Technology, Engineering and Maths) graduates with high technical competencies to upskill them and prepare them for employment. Training was designed to be project-based, with trainees working on live, client-based projects alongside senior developers and team leads.

The Portland Trust continued to validate the programme with potential demand-side clients and other regional and international training providers throughout the year. Having considered various models, it was ultimately agreed that each cohort of trainees should undertake a three-month intensive training course, comprising two technical tracks focusing on the development of skills most in demand internationally but lacking in the Palestinian tech sector. In addition, the curriculum would incorporate career coaching and training in relevant soft skills deemed essential for employability, such as English language.

In order to mitigate personal financial constraints, the programme was designed to include the provision of stipends of between \$300 and \$600 to trainees to enable them to complete the programme. The Portland Trust ran 3 cohorts in 2021 of 15, 15, and 10 participants, of which 31 were successfully placed in the first instance.

Business Development: In parallel with its work to develop the training programme, The Portland Trust offered advice and guidance to IT outsourcing companies to help develop their operational capacity and to assist them in preparing to compete for international contracts.

To that end, The Portland Trust took the lead in the creation of a competitive pricing model based on its analysis of international cost comparisons, facilitated resource sharing agreements between IT outsourcing companies to help achieve scale, and secured soft commitments for interviews from companies willing to consider hiring trainees upon completion of the programme.

Sustainable Financial Structuring: Through its strategic commitment to partner with local Palestinian training providers, The Portland Trust was able in 2021 to design a programme that conforms to international best practices, whilst simultaneously achieving cost savings appropriate for local market conditions. The pilot training programme cost significantly less than other international bootcamps/training programmes currently offered in Palestine, Israel and the region which range from \$8,000-\$12,000 per person.

In addition, whilst other training initiatives rely entirely on donor grants for funding, The Portland Trust engaged with the private sector, policy makers, the World Bank and a range of international donors during 2021 to design a commercially self-sustaining financing model. As such, the cost of training would be treated as an impact investment rather than a grant, to be repaid with interest to the investor(s) upon the successful placement in employment of the graduates of the programme.

This innovative financial model, developed by The Portland Trust, saw the creation of the first ever Income Sharing Agreement (ISA) in Palestine. The ISA contracts the trainees to repay a portion of the cost of training once they are employed, with the remainder to be covered by the IT outsourcing companies from their operating margin.

The Talent Acceleration Program (TAP)

The Portland Trust made significant progress in firming up its plans towards its initial aim of creating 300 jobs in Palestinian small and medium enterprises (SMEs) in IT outsourcing (ITO) firms, based in underserved regions of the West Bank in two years. The initiative is now part of a wider portfolio of projects to catalyse the growth of the Palestinian tech sector, leading to the employment of thousands of developers and making a significant contribution to GDP.

Already into its fourth cohort, the programme, now named the Talent Acceleration Program (TAP), is an intensive three-month bootcamp led by international industry experts and specifically adapted to demand-side and client needs. It combines cutting edge technical skills with business acumen and soft skills to accelerate Palestinian developers and ready them for employment with local, Israeli, and international clients in which TAP places them. Alongside the curriculum, the trainees are placed on live client projects to which they contribute as near-full time employees, completing technical tasks according to client specifications and feedback using scrum methodology.

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In 2021, 40 fresh graduates were trained, with a placement rate of 87% into well-paid, full-time employment, a rate expected to increase as more trainees from the third cohort are being placed in jobs. The fourth cohort of 30 trainees, is the largest yet, and shows the success of the iterative process the Trust has deployed to learn, improve and develop the programme with smaller cohorts, until it is robustly ready to scale.

Portland has appreciably impacted the local market, with twelve local companies currently benefitting from hiring out of the programme, up from five in the first cohort. Of these, half of the formal partners have signed partnership agreements and so contribute a "success-fee" to the programme for each resource hired. This includes leading outsourcing companies such as Asal, Exalt, ITG, Foothill, and ProGineer. More hiring partners are currently being onboarded with a recent roadshow by Kiitos Technologies, with whom Portland has partnered. The repayment scheme, the first in the market, is working, and Portland has recouped some 60% of the cost of the first TAP cohort through personal and company repayments, in addition to repayments from the second cohort underway since January 2022.

These recycled funds are re-invested in an "evergreen" model, and so help finance the scaling up of the programme, ultimately creating a sustainable financing model and allowing the programme to expand into new and cutting-edge demand-driven technical skills.

2. Social Impact Investment

In addition to designing and introducing the first Income Sharing Agreement (ISA) as part of its commitment to ensuring impact-based investment for the development of the tech sector as highlighted above, The Portland Trust continued to play a leading market-building role for the promotion of social impact investing in Palestine. This innovative financial mechanism can help leverage previously untapped capital, foster innovation, and enable donors to 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 is a three-year structured intervention for 150 pre-diabetic women in West Bank refugee camps, leading to sustained weight loss and preventing the onset of diabetes, resulting in significant positive public health outcomes and substantial financial savings for the national healthcare budget. 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.

In 2021, The Portland Trust continued to monitor the project. Due to COVID-19, however, the delivery of the initiative was affected with women unable physically to exercise in line with diet intervention plans. As a result, many women regained weight they had lost. The need for this intervention is now more evident than ever, with women having limited agency during the lockdown period to prioritise their own health.

The situation prevented regular face to face monitoring during the year, making it very difficult for Juzoor to provide the optimal assistance and motivation for the women. Furthermore, a financial crisis within the United Nations Relief and Works Agency (UNRWA) impacted the work of its clinics where much of Juzoor's intervention takes place. Juzoor sought to mitigate some of these constraints remotely. The programme is currently being evaluated.

World Bank Development Impact Bond to Address Youth Unemployment

The Portland Trust supported the World Bank in developing 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 \$1.8 million was secured from four local and international investors who provided financing to delivery organisations for interventions that supported participants' transition to employment. If the project achieves the agreed employment results, independently verified, then the MoF will repay investors, drawing on a \$5 million 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.

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The DIB's first cycle targeted employment creation in both nursing, supporting hospitals seeking to improve care quality standards, and health and safety inspectors in the construction and industrial sectors. In 2021, more than 300 youth received training and are now in the internship phase, preparing them for employment.

Agriculture Impact Fund

Portland has been working to establish the first specialised agriculture impact fund in Palestine, in partnership with Oxfam International and Dimensions Consulting. This \$5-\$7 million impact investment vehicle (with an aspiration to subsequently scale to \$50m) aimed to maximise positive and measurable social impact, while addressing the critical funding gap for agriculture businesses. An initial donor meeting was held in September 2021, where donors including the EU, IFC/World Bank, Spanish Development Agency, SIDA and SDC expressed serious interest.

Working with Dimensions, a local consultancy Portland contracted, a technical paper was drafted, setting out parameters on fund structure, corporate governance, potential pipeline, asset classes and impact measurement and assessment, and a proposal was then put together to seek funding. A further presentation was then made to donors, and Portland and Oxfam proceeded with stakeholder discussions through bilateral meetings to align requirements to potential funders. Further work was done by a cohort of London Business School graduates placed at Portland.

Gaza Solar

Palestine imports 95.9% of its electricity needs from external sources. Only 2.3% is generated domestically. The situation is particularly severe in the Gaza Strip. For the past decade, Gaza has suffered chronic electricity shortages, which further undermine already fragile living conditions. Two million Gaza residents struggle with regular blackouts, sometimes lasting for 12 hours per day, including in summer. Providing the Gaza Strip with an uninterrupted power supply would require about 600 megawatts of electricity per year. Today, Gaza receives only 180 megawatts, of which 120 come directly from Israel and 60 are generated by Gaza's own power plant, though from Qatari-funded fuel provided by Israel. The intense bombings of the last round of fighting in May 2021 caused the destruction of several hundred homes and further restricted electricity distribution across several areas of Gaza, due to the suspension of the main feeder lines, all of which has reduced electricity supply now to around 92 megawatts.

Portland's research into the feasibility of solar energy schemes has resulted in identifying a high-impact solution. The establishment of a state-of-the-art solar power plant would have a capacity of 50 megawatts, based on a set of realistic assumptions used in our financial feasibility study, which are now being validated with external stakeholders. The next step is a study to examine the status of the grid and associated technical feasibility and identifying a private sector champion to drive the initiative forward through pre-approvals.

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.

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Strategic report

1. 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.

In 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 Sakhnin, including the communities of Sakhnin, Misgav, Arraba, Dir Hana, Kfar Manda, Kaukab and Sha'ab. The 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. The Trust formulated a detailed implementation plan, and a small delivery team was appointed alongside the establishment of a strategic partners coalition to bolster government involvement in order to advance the implementation of the plan.

Throughout 2021, The Portland Trust continued to make good progress with the plan's implementation, strengthening its collaboration with key partners and identifying projects for development in Sakhnin valley. These included an accelerator programme to support local clinicians operating in adjacent hospitals, assisting them to develop their innovative ideas into clinical proofs of concept. The goal was to create the seeds for future companies which will operate in the area. The Trust developed plans to further expand the programme to include an innovation lab in collaboration with the Israeli Innovation Authority (IIA).

The Israeli Minister of the Economy and the Director General have expressed support for the programme and adopted it as a flagship project in collaboration with the Authority for Economic Development of Minorities. A cross-governmental committee was established to promote the initiative. The Portland Trust continued to deepen its partnership with the local municipalities and established a local steering committee which includes the municipalities' representatives, as a means to receive their feedback, support and engagement with these endeavours.

The Portland Trust continues to expand the programme to incorporate a Medtech innovation "combinator" (a type of tech accelerator), in collaboration with the IIA and Medx (<https://www.medxelerator.com>). 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.

As a strong testament to The Portland Trust's work, its Sakhnin Valley plan was included in Israel's recently-approved five-year national plan for the Arab sector, Government Resolution 550. This means that the necessary funding was allocated in the 2021 budget, ensuring the work will continue to implement the plan. Details include:

- local Health-Focused Combinator: aiming to specifically promote and support physicians and Medtech entrepreneurship efforts in the area. The Portland Trust signed an agreement with MedX, a leading MedTec incubator in the centre, which specialises in medical devices and digital health to pen a northern innovation hub;
- establishment of a life sciences laboratory: considering the establishment of a laboratory for life sciences as part of the northern branch of Medx. The lab will be used for the research by Medx entrepreneurs and other northern entrepreneurs who can use the laboratory as a service attracting them to this area;
- bio design activity in Sakhnin Valley: The Portland Trust is in the midst of agreeing on principles for operating the programme in Sakhnin Valley towards the end of the current year;
- innovation and Technological Entrepreneurship Centre in Arab Society: The Innovation Authority launched a set of tenders for a five-year programme. The Portland Trust will work with Medx, the Northern hospitals and others to submit the tender. The Entrepreneurship Centre alongside the Medx northern innovation hub has the potential to fundamentally impact MedTech entrepreneurship in the Arab Community and
- a local A&E (emergency care centre) and Physicians' Clinic Hub: efforts to promote and support the initiative are ongoing. Discussions are in progress with Clalit Health Fund, which see the need for such a facility in the area.

Finally, The Portland Trust started work to expand the programme to include an additional economic cluster in the Eshkol Hasharon region, in cooperation with the local municipalities there. KPMG Israel was selected to advise on the project and the process of identifying the economic growth engines for this region began in October 2020.

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The principles of the programme include: integration of juniors in the industry (including upskilling and on-the-job training); retraining of academic graduates into QA and Automatic-QA high-tech professions; and identification, training and integration of employees in IT and high-tech firms, working in a hybrid mode of operation. The programme's financial fundamentals are funding of the training by the employers, showing substantial "skin in the game".

In keeping with The Portland Trust's established model, within two years, the initiative will need to break even via its own channels of income. The required needed philanthropic funding for three years has been secured, matched by two years of Government funds to execute the programme.

The process includes 3 main steps:

- scouting and recruitment of candidates;
- professional and soft training for 3.5 months; and
- employee placement, accompanied by the "Beyond Dev" (as in development) team in the first year of employment.

A team was recruited (programme director, tech lead, talent sourcer) and a work plan for the first training cycle crafted, with a professional syllabus according to industry needs. The first training will be launched in April 2022, with 15-20 participants. The Beyond Dev programme plans for 40-50 employed graduates in 2022 and an additional 80-100 in 2023, doubling in 2024.

2. Lotus Project for Orthodox Druze Women

A population of about 400 young orthodox Druze women, who have 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, which aims to create the first generation of orthodox Druze women to break the glass ceiling and achieve quality employment in hi-tech firms. This will be accomplished only if their traditions are maintained, working in a women-only "safe space" inside the village.

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, in 2019 Lotus was lent two rooms in a private house to establish the first hi-tech co-working space in a Druze village designated for women. The women were able to work full time for leading hi-tech firms from the improvised Lotus "tech hub".

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

During 2021, The Portland Trust built on its partnership with Lotus, facilitating and mentoring the NGO's activity, developing the next cohorts of the programme and matchmaking for employment in the hi-tech sector. A second cohort of women were recruited and started training, in October 2019, leading to fifteen graduates securing employment during 2020. The success of such placements amplifies the strength and sustainability of the Lotus model. A third cohort of seventeen women was selected and commenced training in late 2020.

The establishment of a new, dedicated 500m² Lotus Hub was completed in mid-2020, enabling Lotus to relocate to the first, purpose-built, 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.

The Portland Trust continues to work on this project in partnership with Lotus, to create the first generation of Orthodox Druze women to break the glass ceiling and achieve employment in high-tech firms inside the village.

54 women are already successfully integrated into high-tech positions in our partner firms: Amdocs, Radcom, Netafim, Finastra, Vayar, AlgoSec, Incredibuild, Sapiens, SeeTree and Oranbit as software developers and data analysts. Furthermore, each position creates an additional two peripheral positions in the village. It is important to note that 85% of the positions into which Lotus graduates are hired, were previously sub-contracted to Romania, Ukraine and India. The first cohort was "transformed" from being employed as subcontractor (due to the Government's incentive model) to being directly employed by the hi-tech firm which is the core of The Portland Trust's model. The women's salaries were hiked to NIS 16-18K monthly, representing an increase of over 50% salary rise in 2 and a half years' work.

A new branch is planned to open in the Galilee toward the end of 2022, when Lotus will grow to around 100 employed women. The Lotus NGO has achieved financial sustainability and is no longer dependent on philanthropy for the Carmel branch's operation.

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3. Fursa

In 2021, The Portland Trust launched a new initiative, Fursa, which 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 needs of the hi-tech sector, while taking into consideration the context of Arab society in Israel.

The Portland Trust established and registered Fursa as an NGO, and in November 2020 finalised the selection process of a first cohort of thirteen participants from a group of 150 candidates, all of whom are Computer Science graduates from leading universities, including the Technion, Tel Aviv University and the Hebrew University. The first group were certified as DevOps experts ready for employment in hi-tech firms.

Throughout 2021 Fursa continued to provide a scalable solution for quality employment of 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 project leverages the Lotus model and know-how for the design of an intervention that addresses the hi-tech sector's needs, whilst taking into consideration the context of Arab society in Israel. This lack of integration is common in regular times but has been exacerbated during COVID-19 (and will probably remain so for some time), when new graduates in general are 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 positions and the unwillingness of employers to hire juniors in Israel, preferring instead to recruit low-cost staff from offshore centres. Fursa works to identify talented youth and the enabling factors needed for their inclusion in high-tech, within an appealing employment cost model for the employers.

The first three cohorts, totalling 40 graduates, have been placed and are working to the great satisfaction of the employers. All graduates from cycles 1 and 2 received their first salary increase after 6 months of work. The fourth training cohort of Computer Science graduates, with 19 students, was 70% are women. There is already an over subscription of employers for these future graduates. The fifth cohort, DevOps, will start in May 2022, and two large employers are currently considering employing the whole group. By the end of 2022, there will be well over 100 Fursa graduates employed in hi-Tech.

Some of the Fursa graduates have already been nominated by their employers to become Dev leads. The Portland Trust will provide them with the relevant training. Leveraging Bank Hapoalim, Portland conducted a family economy management, pension and savings plans session. Similar to Lotus, it is noteworthy that 100% of the positions to which Fursa graduates are hired were previously planned to be sub-contracted to Romania, Ukraine and India.

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

Following the development of its vision and preliminary planning and scoping work in 2020, The Portland Trust launched an initiative to enable Haredi men to study for a full BSc degree in Computer Science at the Hebrew University, with guaranteed employment in leading hi-tech jobs with high salaries. For the first time, a designated track for Ultra-Orthodox men is being conducted in one of the world's top-rated universities. The programme provides academic, social, and financial support to its participants, helping them to focus on successfully completing their degree and integrating into leading global hi-tech firms upon graduation.

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Given that the focus of the programme is on future employment in leading hi-tech firms, the sector has been involved in the initiative from the outset, to ensure the industry's ability to influence the course content and later to recruit the students. The programme provides scholarships and social loans to students who have made a significant commitment to completing the preparatory track and psychometric tests to be accepted by the Hebrew University.

The first cohort, which started in October 2020, moved smoothly into its second academic year, and consists of 16 students. The second cohort is 18 students. The distribution of grades is generally similar to the heterogeneous class, in large part down to the close cooperation with the Hebrew University Rector and Dean's offices and academic support, which includes private lessons and mentors from the Haredi community. The economic support includes tuition and a living expenses scholarship.

New Initiatives in the programme include connections to the industry, i.e. preparation for integration into high-tech, such as a visit to Microsoft and a skills workshop by Google and an advanced English bootcamp for second year students, which is run by the US Embassy.

The total contribution to Israel's economy by the end of the tenth year will be approximately NIS 825.5 million, with a recurring annual impact from year ten of NIS 221 million.

Social Finance Israel

During 2021, The Portland Trust continued to support and partner with Social Finance Israel (SFI), having played a leading role in its establishment in 2013 as a public benefit company and Israel's first social-financial intermediary.

SFI is the leading developer of Social Impact Bonds (SIBs) in Israel and attracts new capital for 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.

During 2021, SFI worked with various partners to address national challenges in diverse areas such as education, economic mobility and preventative health, many of them worsened by the COVID pandemic. In 2021, SFI managed six outcomes-based financing projects, and was in the process of developing 21 more. They advised 26 key clients across sectors on how to become more effective and impactful and awarded the Midot Seal of Effectiveness to 97 not-for-profit organisations.

Also in 2021, SFI launched a Social Impact Bond to reduce the loneliness of 200 elderly people in Tel Aviv. This project was an opportunity to launch the first-ever crowdfunding campaign to raise capital for a SIB, which was oversubscribed and created over 200 new micro-impact investors in Israel. This is one way in which SFI pursues its mission of growing the impact investing market in Israel, alongside additional activities such as 52 publications and a 34% increase in social media engagement.

To date, SFI has had 4,650 direct beneficiaries of its Impact Bonds. In addition, an NIS 21m of grant capital has enabled the development of innovative models and programs which raised NIS 49m from impact investors and NIS 75m in commitments from public entities for outcomes payments. These programs generated NIS 97m in cashable savings to the Israeli Government, so generating nearly NIS 1.8 billion in economic value for Israeli society at large.

The Negev and Galilee Loan Guarantee Project

The Koret Israel Economic Development Fund (KIEDF) made the fifth instalment of its 5-year repayment to The Portland Trust in 2021.

C. Publications, Research and Events

Palestinian Economic Bulletin

The Portland Trust continues to publish the monthly Palestinian Economic Bulletin, which reports on key economic developments in Palestine. The Bulletin is distributed to over 1,200 international and local subscribers and is broadly recognised as the only English-language monthly publication focusing on the Palestinian economy. The Portland Trust also publishes an Arabic-language version of the bulletin, with a view to expand readership regionally. In 2021, over 20% of the Bulletin's readers access was in Arabic.

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 2021, The Portland Trust had a liquid balance sheet with a cash position of £1,891,743 which helps to secure the Charity's plans to promote economic stability in the Middle East into 2021 and beyond.

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Report of the Trustees for the year ended 31 December 2021

Principal funding sources

The Portland Trust mainly receives funding from grant-making charities based in the United Kingdom and internationally. In addition, in 2020 and 2021 The Portland Trust received significant income from investments as detailed in the Notes to the Financial Statements.

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.

THE PORTLAND TRUST
Report of the Trustees
for the year ended 31 December 2021

Strategic report

Financial review

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 2021 unrestricted retained reserves totalled £1,559,895 and restricted retained reserves were £254,850.

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

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. In September 2021, Baron Frankal was appointed to replace Douglas Krikler as CEO, and runs the organisation from the London office where there are four employees. The Tel Aviv office, which opened in 2005, has five members of staff and is run by Rami Schwartz. The Ramallah office was opened in April 2006, has six 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.

THE PORTLAND TRUST
Report of the Trustees
for the year ended 31 December 2021

Structure, governance and management

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.

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 in 2021 as a result of COVID-19, and project implementation was only marginally affected, e.g. with one US donor dropping off and some difficulties experienced in some of the projects, e.g. by service-providers ability to physically engage and drop-off in hiring.

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 nor made any staff redundant across the three offices as a result of COVID-19.

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

New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Trustees

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

Company Secretary

Mr S D Clarke

THE PORTLAND TRUST
Report of the Trustees
for the year ended 31 December 2021

Reference and administrative details

Auditors

Goldwins Limited
75 Maygrove Road
London
NW6 2EG

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, Goldwins Limited, have been appointed on an interim basis and will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Trustees, approved by order of the board of Trustees, as the company directors, on and signed on the board's behalf by:

Sir Ronald Cohen

.....
Sir R M Cohen - Trustee

21 July 2022

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 2021 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, 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 Auditors' 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

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

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

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 Directors' Report or the Strategic Report included within 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, 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.

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

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, and remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, and challenging any judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Use of our report

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

Anthony Epton

Anthony Epton (Senior Statutory Auditor)
for and on behalf of Goldwins Limited
Statutory Auditor
Chartered
Accountants 75
Maygrove Road
London
NW6 2EG

Date: 27 July 2022

THE PORTLAND TRUST
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income and endowments from					
Donations and legacies	2	1,330,016	1,410,842	2,740,858	2,242,972
Investment income	3	<u>351,199</u>	<u>-</u>	<u>351,199</u>	<u>1,044,261</u>
Total		1,681,215	1,410,842	3,092,057	3,287,233
Expenditure on					
Charitable activities	4				
Project expenditure		940,945	1,341,203	2,282,148	1,977,524
Support cost		<u>361,532</u>	<u>-</u>	<u>361,532</u>	<u>496,549</u>
Total		1,302,477	1,341,203	2,643,680	2,474,073
NET INCOME		378,738	69,639	448,377	813,160
Reconciliation of funds					
Total funds brought forward		1,181,157	185,211	1,366,368	553,208
Total funds carried forward		<u>1,559,895</u>	<u>254,850</u>	<u>1,814,745</u>	<u>1,366,368</u>

The notes form part of these financial statements

THE PORTLAND TRUST

Balance Sheet
31 December 2021

		2021 £	2020 £
Fixed assets	Notes		
Tangible assets	10	14,126	24,698
Investments	11	<u>5</u>	<u>5</u>
		14,131	24,703
Current assets			
Debtors	12	141,495	180,241
Cash at bank		<u>1,891,743</u>	<u>1,381,199</u>
		2,033,238	1,561,440
Creditors			
Amounts falling due within one year	13	(232,624)	(219,775)
		<u>1,800,614</u>	<u>1,341,665</u>
Net current assets			
		<u>1,800,614</u>	<u>1,341,665</u>
Total assets less current liabilities		1,814,745	1,366,368
		<u>1,814,745</u>	<u>1,366,368</u>
NET ASSETS			
		<u>1,814,745</u>	<u>1,366,368</u>
Funds	15		
Unrestricted funds		1,559,895	1,181,157
Restricted funds		<u>254,850</u>	<u>185,211</u>
Total funds		<u>1,814,745</u>	<u>1,366,368</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21st July 2022 and were signed on its behalf by:

Ronald Cohen

Ronald Cohen (Jul 27, 2022 13:57 GMT+3)

.....
Sir R M Cohen - Trustee

sir Harry solomon

sir Harry solomon (Jul 27, 2022 15:23 GMT+1)

.....
Sir Harry Solomon - Trustee

The notes form part of these financial statements

THE PORTLAND TRUST
Cash Flow Statement
for the year ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>514,363</u>	<u>1,045,921</u>
Net cash provided by operating activities		<u>514,363</u>	<u>1,045,921</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(3,819)</u>	<u>(9,534)</u>
Net cash used in investing activities		<u>(3,819)</u>	<u>(9,534)</u>
Change in cash and cash equivalents in the reporting period		510,544	1,036,387
Cash and cash equivalents at the beginning of the reporting period		<u>1,381,199</u>	<u>344,812</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,891,743</u></u>	<u><u>1,381,199</u></u>

The notes form part of these financial statements

THE PORTLAND TRUST
Notes to the Cash Flow Statement
for the year ended 31 December 2021

1. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	448,377	813,160
Adjustments for:		
Depreciation charges	14,391	14,826
Decrease in debtors	38,746	236,100
Increase/(decrease) in creditors	<u>12,849</u>	<u>(18,165)</u>
Net cash provided by operations	<u><u>514,363</u></u>	<u><u>1,045,921</u></u>

2. Analysis of changes in net funds

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank	<u>1,381,199</u>	<u>510,544</u>	<u>1,891,743</u>
	<u>1,381,199</u>	<u>510,544</u>	<u>1,891,743</u>
Total	<u><u>1,381,199</u></u>	<u><u>510,544</u></u>	<u><u>1,891,743</u></u>

THE PORTLAND TRUST

Notes to the Financial Statements for the year ended 31 December 2021

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.

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	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

Taxation

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

THE PORTLAND TRUST

Notes to the Financial Statements - continued for the year ended 31 December 2021

1. Accounting policies - continued

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.

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.

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.

There are no key judgments.

THE PORTLAND TRUST

Notes to the Financial Statements - continued
for the year ended 31 December 2021

2. Donations and legacies

	2021	2020
	£	£
Donations	<u>2,740,858</u>	<u>2,242,972</u>

3. Investment income

	2021	2020
	£	£
Investments	351,169	1,044,261
Deposit account interest	30	-
	<u>351,199</u>	<u>1,044,261</u>

Investment income of £351,169 (€408,167) was received in 2021 as a consequence of a distribution from a private equity investment held by the Charity, see note 11.

4. Charitable activities costs

	Direct Costs	Support costs (see note 5)	Totals
	£	£	£
Project expenditure	2,015,048	267,100	2,282,148
Support cost	<u>96,806</u>	<u>264,726</u>	<u>361,532</u>
	<u>2,111,854</u>	<u>531,826</u>	<u>2,643,680</u>

5. Support costs

	Management	Finance	Governance costs	Totals
	£	£	£	£
Project expenditure	267,100	-	-	267,100
Support cost	<u>93,261</u>	<u>75,550</u>	<u>95,915</u>	<u>264,726</u>
	<u>360,361</u>	<u>75,550</u>	<u>95,915</u>	<u>531,826</u>

6. Net income/(expenditure)

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

	2021	2020
	£	£
Auditors remuneration- Current year	9,600	14,400
Auditors remuneration - under provision 2020	15,282	-
Depreciation - owned assets	14,391	12,588
Other operating leases	<u>246,194</u>	<u>215,601</u>

THE PORTLAND TRUST
Notes to the Financial Statements - continued
for the year ended 31 December 2021

7. Trustees' remuneration and benefits

There were no Trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

The Portland Trust pays for Trustee indemnity insurance. No travel expenses were paid on behalf of Trustees' during the year.

8. Staff costs

	2021 £	2020 £
Wages and salaries	490,633	970,547
Social security costs	52,987	86,296
Other pension costs	<u>2,727</u>	<u>3,540</u>
	<u><u>546,347</u></u>	<u><u>1,060,383</u></u>

The total employee benefits including pension contributions and employers' national insurance of the key management personnel were £217,282 (2020: £227,600).

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

	2021	2020
UK	5	4
Israel	5	5
Palestine	<u>4</u>	<u>6</u>
	<u><u>14</u></u>	<u><u>15</u></u>

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

	2021	2020
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£110,001-£120,000	1	-
Over £120,000	<u>2</u>	<u>3</u>
	<u><u>3</u></u>	<u><u>5</u></u>

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	1,387,072	855,900	2,242,972
Investment income	<u>1,044,261</u>	<u>-</u>	<u>1,044,261</u>
Total	2,431,333	855,900	3,287,233
Expenditure on			
Charitable activities			
Project expenditure	1,121,099	856,425	1,977,524
Support cost	496,549	-	496,549

THE PORTLAND TRUST

Notes to the Financial Statements - continued
for the year ended 31 December 2021

9. Comparatives for the statement of financial activities - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Total	1,617,648	856,425	2,474,073
NET INCOME/(EXPENDITURE)	813,685	(525)	813,160
Reconciliation of funds			
Total funds brought forward	367,472	185,736	553,208
Total funds carried forward	<u>1,181,157</u>	<u>185,211</u>	<u>1,366,368</u>

10. Tangible fixed assets

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 January 2021	35,409	43,114	44,456	122,979
Additions	<u>-</u>	<u>2,068</u>	<u>1,751</u>	<u>3,819</u>
At 31 December 2021	<u>35,409</u>	<u>45,182</u>	<u>46,207</u>	<u>126,798</u>
Depreciation				
At 1 January 2021	24,195	33,870	40,216	98,281
Charge for year	<u>7,083</u>	<u>5,362</u>	<u>1,946</u>	<u>14,391</u>
At 31 December 2021	<u>31,278</u>	<u>39,232</u>	<u>42,162</u>	<u>112,672</u>
Net book value				
At 31 December 2021	<u>4,131</u>	<u>5,950</u>	<u>4,045</u>	<u>14,126</u>
At 31 December 2020	<u>11,214</u>	<u>9,244</u>	<u>4,240</u>	<u>24,698</u>

11. Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2021 and 31 December 2021	<u>5</u>
Net book value	
At 31 December 2021	<u>5</u>
At 31 December 2020	<u>5</u>

There were no investment assets outside the UK.

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**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

11. Fixed asset investments - continued

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 2021 and 31 December 2020. The Trust received a distribution of €408,166 in June and September 2021 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.

12. Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	9,607	70,705
Prepayments and accrued income	<u>59,166</u>	<u>38,767</u>
	<u>68,773</u>	<u>109,472</u>
Amounts falling due after more than one year:		
Other debtors	<u>72,722</u>	<u>70,769</u>
Aggregate amounts	<u>141,495</u>	<u>180,241</u>

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Social security and other taxes	24,368	32,047
Other creditors	34,241	31,747
Accruals and deferred income	<u>174,015</u>	<u>155,981</u>
	<u>232,624</u>	<u>219,775</u>

14. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	14,126	-	14,126	24,698
Investments	5	-	5	5
Current assets	1,778,388	254,850	2,033,238	1,561,440
Current liabilities	<u>(232,624)</u>	<u>-</u>	<u>(232,624)</u>	<u>(219,775)</u>
	<u>1,559,895</u>	<u>254,850</u>	<u>1,814,745</u>	<u>1,366,368</u>

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Notes to the Financial Statements - continued
for the year ended 31 December 2021

15. Movement in funds

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
Unrestricted funds	1,181,157	378,738	1,559,895
Restricted funds			
Restricted funds	185,211	69,639	254,850
TOTAL FUNDS	<u>1,366,368</u>	<u>448,377</u>	<u>1,814,745</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	1,681,215	(1,302,477)	378,738
Restricted funds			
Restricted funds	1,410,842	(1,341,203)	69,639
TOTAL FUNDS	<u>3,092,057</u>	<u>(2,643,680)</u>	<u>448,377</u>

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
Unrestricted funds	367,472	813,685	1,181,157
Restricted funds			
Restricted funds	185,736	(525)	185,211
TOTAL FUNDS	<u>553,208</u>	<u>813,160</u>	<u>1,366,368</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	2,431,333	(1,617,648)	813,685
Restricted funds			
Restricted funds	855,900	(856,425)	(525)
TOTAL FUNDS	<u>3,287,233</u>	<u>(2,474,073)</u>	<u>813,160</u>

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Notes to the Financial Statements - continued for the year ended 31 December 2021

16. Related party disclosures

During the year, The Portland Trust received a donation of £500,000 (2020: £500,000) from The R and S Cohen Foundation, a charity of which Sir R Cohen is also a Trustee.

The Heathside Charitable Trust, of which Sir H Solomon is also a Trustee donated £50,000 (2020: £50,000) to The Portland Trust.

The Davis Foundation, of which Sir M Davis is also a Trustee donated £100,000 (2020: £150,000).

The Portland Trust received donations of £323,828 (NIS 1,440,000) from Yad Hanadiv (2020: £269,274 (NIS 1,187,805)) of which Sir R Cohen is a Trustee.

In 2021, the Charity paid £7,200 to Portland Place Capital for bookkeeping and IT support. In 2021, expenditure of £4,062 was paid via recharges to Portland Place Capital. The £4,062 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.

Sir R Cohen is Chair of Social Finance Israel of which The Portland Trust and Mrs N Cobbold are founding shareholders. In 2021 The Portland Trust made a grant of \$250,000 (2020: \$250,000) to SFI.

17. Ultimate controlling party

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

