



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

**Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2022
for
The Portland Trust**

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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 2022. 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 (also referred to in this report as “Portland”, “the Trust” and “the Charity”) was incorporated on 17 March 2003 and gained charitable status on 26 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 in a number of initiatives to further its charitable aims. These include designing and coordinating programmes to enhance the development of the Palestinian private sector, as well as programmes to facilitate socio-economic mobility by making economic opportunity more accessible to Arab communities and other minorities in Israel. To further its aims, Portland partners at the local and international level who share its vision and can implement initiatives to further these aims.

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 2022, 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.

Fundraising Declaration

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

Social investments

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

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

Grantmaking

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

Volunteers

With the exception of the Trustees, The Portland Trust had no volunteers in 2022.

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 2022 The Portland Trust had a liquid balance sheet with a cash position of £974,613 which helps to secure the Charity's plans to promote economic stability in the Middle East into 2023 and beyond.

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 a timely response to project needs.

Reserves policy

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

At 31 December 2022 unrestricted retained reserves totalled £594,019 and restricted retained reserves were £144,726.

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.

On 1 January 2023, three new Trustees joined the Trust's board: Jonathan Harel-Cohen, Steven Kaye and Gila Sacks.

Organisational structure

The Trustees provide their services free of charge. The Portland Trust has offices in London, Tel Aviv and Ramallah. Baron Frankal, CEO 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 five members of staff, and in 2022 was 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 Chief Executive and Managing Directors, together the Trust's executive function, as well as the Ramallah Chairman, approve expenditure on the projects undertaken by The Portland Trust, subject to the oversight of the Board of Trustees and its duly-comprised Committees.

Induction and training of new trustees

All of the Trustees are experienced in charity matters and therefore no formal training takes place. When new issues and

developments come to light the Trustees are made aware of these matters at their next meeting. Any new Trustee would be expected to have the same level of experience and knowledge as the existing Trustees.

Key management remuneration

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

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

Related parties

None of the Trustees received remuneration or other benefits from their work with The Portland Trust in 2022, 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.

Reference and administrative details

Registered Company number

04699155 (England and Wales)

Registered Charity number

1106429

Registered office

54 Portland Place
London
W1B 1DY

Trustees

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

In addition, three new Trustees joined the Trust as of 1 January 2023:

Mr J M Harel-Cohen
Mr S J Kaye
Ms G Sacks

Company Secretary

Mr S D Clarke

Auditors

Goldwins Limited
75 Maygrove Road
London
NW6 2EG

Strategic report

Achievement and performance

Charitable activities

As a charity, The Portland Trust's direct charitable expenditure mainly comprises staff costs, both those directly employed those who are part of projects.

A. 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 identifies opportunities and enhances the lives and livelihood of Palestinian Israeli Arabs, Druze and Bedouin, whilst increasing their contribution to GDP. The Portland Trust has also developed interventions aimed at increasing economic participation and improved living standards amongst the ultra-Orthodox (Haredi) Jewish community.

The Sakhnin Regional Economic Cluster

This flagship project is about building regional economic clusters to address the gaps and imbalances between Arab and Jewish communities. Following a year-long consultation process, Portland chose to focus first on the Sakhnin Valley area. The aim is to create a systemic change to integrate local Arab communities into the Israeli economy, generating employment in the health sector. A new health and life sciences industrial park is now being built in the area, creating a new ecosystem which brings together public and private healthcare service providers, health industry players, academia, research and innovation as a means to create significant job opportunities and high-quality employment in the area. This will serve 135,000 residents, potentially impacting positively on an additional 500,000 residents of adjacent areas.

As a strong testament to The Portland Trust's work, our Sakhnin Valley plan was included in Israel's five-year national plan for the Arab sector, which was approved in 2022 as Government Resolution 550. This means that the necessary funding has been allocated for the next five years in the Government of Israel budget. Portland is working with several Israeli Government ministries to ensure financial resources are sustained. Details are included in the elements below.

MEDX Xelerator, a northern branch of the existing MEDX incubator, was launched in May 2022, through the leadership of the Trust, and with support from the Israel Innovation Authority (IIA). The facility is hosted in Sakhnin and is the first med-tech hub in an Arab city in Israel. The hub offers entrepreneurship training and mentoring programmes to both Jewish and Arab entrepreneurs based in northern Israel, providing a holistic and professional support environment. It also promotes the placement of technological personnel, with an emphasis on integrating employees and entrepreneurs from Arab society into companies in the fields of medical devices, digital health and software. As of the end of 2022, the incubator had lined up 2 early-stage companies to base their operations there, with an additional 13 entrepreneurial ventures in the pipeline.

The Sakhnin Municipality is also a partner, and in June 2022 provided space for hosting the opening event of the northern branch. There is additional support from other municipalities, including Arabe, Misgav & Kaukab.

NorthMed Innovation Centre

In July 2022, Portland submitted a bid to a competitive IIA tender for a regional innovation and technological entrepreneurship centre in Arab society, part of IIA's plans to promote the development of entrepreneurs and quality jobs in Israel's Arab sector. In December 2022, Portland's consortium was announced as a successful bidder.

Building on the incubator, Portland, together with MEDX, Alpha Omega (Israel's largest Arab-led tech company) and Galilee CBR, partnered with the five leading hospitals in Northern Israel to establish a new innovation centre. NorthMed will promote and boost entrepreneurship and innovation stemming from northern Israel, developing the ecosystem needed in areas such as medical devices, life sciences and software development. The centre will also house an employment centre (NEC, the North Employment Centre), which will incentivise hi-tech companies to open branches or hubs in the region and employ local talent, in a model similar to the Trust's other successful employment programmes. The partnership has now been expanded to include private sector partners: in the medical field, such as Schneider Medical Centre, Sheba Hospital and Cleveland Clinic Ventures; finance, including Sancta Capital and Venture Souq (2 Gulf VCs) and Israel's Hapoalim Bank; and others, namely CBG Bostonix Limited, Boston Scientific and Rani Zim Ltd.

Two major publicly-traded Israeli tech companies have already agreed to open branches for local workers in the Sakhnin Valley. One, Finastra, has committed to opening a branch that will employ 40 employees in Sakhnin. The plan is to start with 15-40 employees at each company and grow to over 100 within the following two years, as the success of the venture becomes evident. While there have been some delays in opening these branches due to global market fluctuations, the Trust remains confident this will come to fruition and other branches will follow. Broadly, NorthMed's business model is forecast to arrive at break-even five years from inception.

Finally, the goal is also to establish a joined-up ecosystem, with its own common platform, which serves as a health industry business park. The Portland Trust has an agreement with the relevant local municipalities as to the best location for the park and has secured a real estate partner (Zim Urban), although issues are still being worked on with the regional planning committee by Portland's team and partners.

Beyond Dev

This project, spearhead of the Eshkol Hasharon regional economic cluster, is run in conjunction with Young Business Leadership, an NGO fostering leadership and excellence among Israeli teens of different backgrounds. Beyond Dev aims to place non-STEM (Science, Technology, Engineering and Mathematics) graduates from Arab communities into automation testing and manual Quality Assurance (QA) positions. Beyond Dev integrates juniors into the tech industry through upskilling and on-the-job training. The programme is funded by the employers benefitting from the training. In keeping with Portland's established model, the project aims to break even within two years. The required philanthropic funding for three years has been secured, matched by two years of Government (IIA) funds.

The project has 3 main stages: scouting and recruiting candidates; professional and soft-skills training for three and a half months; and employee placement, supported by the Beyond Dev team in the first year of employment. The team includes a programme director, tech lead and recruiter. Training is based on a professional syllabus and informed by industry needs.

The first cohort, of 15, completed the training programme in September 2022, with 12 graduates placed in jobs as of the end of 2022. A second cohort concluded in early 2023.

Masterplan for Arab-Israeli Employment (Government Resolution 550)

Portland has developed a comprehensive masterplan for the integration of Arab employees into the Israeli workforce, in partnership with the Israel Democracy Institute's (IDI) Arab-Jewish relations sector, Israeli Government ministries, NGOs, and private sector employers. The plan has been presented to all relevant ministries in Israel - Economy, Labour, Welfare, Finance, Agriculture (relating to Bedouin population/community involvement) and Education, as well as the MALAG (Israel's Council for Higher Education) and has been endorsed by the National Committee of Heads of Arab Local Authorities. The plan, including context for each policy, has been submitted for publication, to enable policymakers to better understand Arab communities when formulating policy and better implement the project's recommendations.

The plan has been extended and amended to reflect the impact of the pandemic on Arab citizens of Israel in areas such as education, welfare, employment and domestic violence. This was fully adopted by the relevant players. The chapters on employment and employment centres, education, welfare, and growth engines in Government Resolution 550, the 5-year plan for the Arab sector in Israel, were taken directly from the work carried out by The Portland Trust, along with our recommended priorities and KPIs. The Trust has representatives within the Employment Committee of the National Committee of Arab Heads of Councils, which is responsible for overseeing the Resolution's implementation, dealing with promotion of employment and integration of youth. As part of the committee, Portland works closely with the Councils, helping unlock areas of dispute, alerting the Council and preparing the data for the required dialogue between the relevant Government agencies. The Trust also supports the Council's Chairman in preparing for meetings with Government officials.

Lotus

Throughout 2022, Portland was working on this groundbreaking project in partnership with Lotus, an NGO run by Druze women based in Daliyat al-Karmel. Lotus fosters the first generation of orthodox Druze women to break the glass ceiling and achieve employment in hi-tech firms. This is accomplished by creating an environment in which the women maintain their traditions, by working in a women-only "safe space" inside the village. The Trust continues to facilitate and mentor the NGO's activity in all aspects, developing the next cohorts of the programme and matching graduates with roles in the Israeli tech sector.

79 women (a 90% placement rate) have already been successfully placed as software developers and data analysts at one of our partner firms - and these are roles which may otherwise have been outsourced from Israel. There are continuously high levels of employer satisfaction with their performance, and each position creates two additional peripheral positions in the village. The first cohort of Lotus graduates were directly employed (rather than being subcontracted), which means a salary hike of over 50% in the women's first 2 and a half years in their roles: their salaries are now NIS 16-18K monthly. A new QA training course was launched in April 2022, with 15 participants. The participants' placements were finalised at the end of the year.

Overall, the programme has more than 80 graduates, which is planned to rise to 100 by the end of 2023. Furthermore, a new branch is expected to open in the Galilee at the end of 2023 or early 2024. The Lotus NGO has now achieved financial sustainability and so is no longer dependent on philanthropic donations for the Daliyat al-Karmel branch's operations.

Fursa

Fursa (meaning "opportunity") aims to provide a scalable solution for quality employment for talented young Arab citizens of Israel who hold academic degrees in STEM subjects but have not succeeded in landing jobs in the tech sector, or finding quality employment in general.

The project leverages the Lotus model and know-how, delivering an intervention that addresses the tech sector's needs while taking into consideration the unique context of Arab society in Israel. This lack of integration, already acute in ordinary times, was exacerbated during the pandemic and also the global slowdown that has also affected the Israeli tech industry this year. This situation poses a double challenge to Arab youth, who experience the traditional barriers to integration in addition to the

present lack of availability of junior-level positions and the unwillingness of employers to hire juniors in Israel, who prefer instead to recruit low-cost staff in offshore centres. Fursa identifies talented youth and provides the enabling support needed for their inclusion in hi-tech, within an appealing employment cost model for employers.

The first five cohorts, totalling 58 graduates, comprise 33% women. The programme placement rate is 92%. All first and second cohort graduates have already received their first salary increase after 6 months of work. The sixth cohort launched in November 2022, and so despite the slowdown affecting the global and local market, there are now some 80 Fursa graduates employed in the Israeli tech industry. This is projected to rise to between 120 and 150 by the end of 2023. Some Fursa graduates have already been nominated by their employers to become development leads, and Portland will provide them with the relevant training to take on this opportunity.

As with Lotus, it is important to note that 100% of the positions into which Fursa graduates are hired were previously planned to be subcontracted to Romania, Ukraine and India. The Fursa NGO met its financial sustainability goal, as planned, by the end of 2022, two years from inception.

Samana

Taking the proven Portland model, in 2022 the Trust launched this new programme to integrate Bedouin women in Northern Israel into the tech industry. Samana is specifically designed to help overcome very real cultural barriers that prevent highly educated women from Galilee Bedouin communities from accessing suitable employment opportunities.

Samana ("our sky" in Arabic) aims to equip Bedouin women with the skills needed to successfully work in the tech industry, as well as providing them with an environment in which their cultural traditions can be maintained.

As part of the project, 30 talented, educated young women will be employed in the tech workforce at a women-only tech hub in the village of Zarzir, with a target placement rate of 90 percent. Modelled on Lotus, the hub is a high-specification facility equipped with top-of-the-range technology, which can function as a remote working hub for employers. The hub will operate as a Centre of Excellence specialising in QA and QA automation for ERP (Enterprise Resource Planning) and CRM (Customer Relationship Management) systems, skills that remain in demand even in the current global downturn.

Samana is very much designed for hi-tech employers, who will ensure its sustainability. SolarEdge has agreed to employ the entire first cohort, in the best possible start for the project. Positioned to take advantage of the Israeli Government's incentive system, Samana is forecast to be financially sustainable within 2 years, relying (like Lotus and Fursa) on employers paying the NGO an ongoing monthly payment for support services, and participants (from the second cycle) paying a fee. Ensuring continuous learning and development, the local Fursa team is being brought in as an accelerator for the new Samana management team with their experience and best practice. The first cohort launched in December 2022.

Torah V'Daat

Since 2020, The Portland Trust has been running a successful initiative to enable ultra-Orthodox Jewish men to pursue a BSc degree in Computer Science at the Hebrew University, with guaranteed well-paid employment in the tech sector upon completing the programme. This is providing a designated track for these Haredi men to join one of the world's top-rated universities, the first such initiative in its field. The project, led by the Hebrew University, provides academic and social support, as well as financial support (led by Portland) to the students, helping them focus on successfully completing their degrees and then integrating them into leading global tech firms upon graduation.

49 students are currently taking part in the programme across 3 cohorts. To date, the programme has a 97% retention rate. Overall, the students' achievements are on a par with their peers, with grade distribution similar to that of the general student body. In large part this is through close cooperation with the University and academic support, which includes private tuition and mentorship from ultra-Orthodox professionals in the industry. The financial support covers tuition fees and living expenses in the first year, and then later provides exposure to the industry to prepare them to join it, including visits to Microsoft and Google's offices in Israel.

Social Finance Israel

During 2022, 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 is attracting new capital towards non-profit organisations and social enterprises tackling a range of high-priority social challenges. These include reducing the drop-out rate amongst higher education technology students, preventing the onset of Type 2 diabetes amongst pre-diabetics and enhancing educational attainment in mathematics for Bedouin high school students in the Negev.

In 2022, SFI initiated its fifth SIB, which focuses on reducing loneliness and isolation amongst the elderly.

The Negev and Galilee Loan Guarantee Project

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

B. Palestine Programme

Central to its objectives, The Portland Trust has worked for many years to help develop the Palestinian private sector by investigating and catalysing investment and job creation opportunities, aiming to promote long-term, 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. The Portland Trust continues to strengthen the foundations for sustainable growth, employment and stability, informed by up-to-date research.

Palestinian IT Sector

As recommended in the Beyond Aid report (The Portland Trust, 2013), The Portland Trust maintained its commitment to generating employment in the Palestinian technology sector, and this formed the principal focus of its programme in 2022.

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. With human capital regarded as the most important input for tech sector development, modernizing and updating the tech training offerings in Palestine is vital to the creation of a suitable and sustainable enabling environment for growth.

The Palestinian tech sector remains small, constituting less than 0.4% of Palestinian GDP. Nonetheless, Palestine has a sizable talent pool to draw on, 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, at 45% in Gaza and 18% in the West Bank, and with only around 10% of tech graduates typically securing employment within the sector each year.

To address the skills gap needed to attain employment in the industry, in 2022 The Portland Trust focused its efforts on catalysing growth in the Palestinian tech sector by developing scalable solutions for training and placing Palestinian talent in tech industry jobs, both locally and internationally.

In April 2022, the Trust published a policy brief on the Palestinian tech ecosystem, the first of its “Thinking Portland” series. This informed our programme of work, highlighting how growth can be encouraged and identifying opportunities for and obstacles to expansion.

Throughout 2022, the Trust continued with its efforts to boost employment in IT outsourcing. Despite some operational difficulties, the outsourcing model continues to show it has a high potential to address business needs given the global trend towards remote working, combined with competitive rates for outsourcing. Through its work, Portland seeks to strengthen the capacity of local providers to deliver graduate tech training to international standards, on a commercially sustainable basis. In parallel, it aims to increase market exposure and business development for local IT companies to help secure outsourcing contracts. This also generates increased employment opportunities for programme participants, directly improving their lives and livelihood whilst boosting sectoral growth more broadly.

Talent Development

In 2022, Portland also focused its efforts on talent development. It conducted in-depth research and analysis of international tech training programmes and developed a training curriculum in line with international standards and best practice, adapted to local needs and circumstances. Specifically, the curriculum addresses the skills gap Palestinian university graduates face when entering the job market. No less significantly, Portland has worked to enhance the capacity of local service providers to deliver the training.

The Portland Trust worked with training partner Kiitos, a Palestinian-Dutch company with offices in Nablus and Amsterdam, as the lead service provider. The Portland Trust and Kiitos designed a selection process to recruit STEM 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 Trust continued through 2022 to validate the programme with potential demand-side clients and other regional and international training providers. Each cohort of trainees undertook 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 incorporated 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-\$600 to trainees to enable them to complete the programme.

Whilst other local 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 to design a commercially self-sustaining financing model. As such, the cost of training can 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 Platform (TAP)

By the end of 2022 Portland had made significant progress with this pilot programme, creating over 40 jobs in Palestinian small and medium enterprises (SMEs) in IT outsourcing (ITO) firms, based in underserved regions of the West Bank. The initiative is now part of a wider portfolio of projects to catalyse the growth of the Palestinian tech sector, making a significant contribution to GDP.

The size of TAP cohorts grew steadily throughout 2022. In subsequent cohorts, TAP also expanded its focus to include sought-after fields in the tech industry other than web development, such as sales. This shows the success of the iterative process the Trust deployed to learn, improve and develop the programme with smaller cohorts, until it was ready to scale in both size and focus to meet demand. Portland has appreciably impacted the local market, with sixteen local companies currently benefitting from hiring out of the programme. 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.

In 2022, the programme was renamed the Talent Acceleration Platform (TAP) and maintained its model as an intensive three-month bootcamp led by international industry experts 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, where 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. In 2022 the Trust succeeded in ensuring that TAP was sustainable without depending on further funding from the Portland Trust, although we have maintained a supportive stance.

The Professional Training and Upskilling Academy

Further to close consultation with local industry partners and other key stakeholders, the Portland Trust also worked in 2022 on putting forward an ambitious project proposal for a large-scale, first-of-its-kind training and upskilling academy to train and place tech talent in Palestine as a provider.

Learning from and building on TAP, the Training Academy would upskill thousands of engineers in the West Bank and Gaza to international standards by providing technical and professional training for graduates of tech-related disciplines. This would equip Palestinian talent, and the Palestinian tech sector more widely, with the competitive technical and soft skills necessary to service local and international markets. Portland carefully gauged private sector interest through several rounds of meetings with the Palestinian Information Technology Association (PITA), the representative agency of the Palestinian tech sector. Talks also took place in 2022 between Portland and leading Palestinian IT companies, including outsourcing companies and training service providers, over sector-side requirements. PITA distributed the project proposal to their wider membership, numbering over 150 companies, for further input, feedback and participation, and the proposal was adapted accordingly. A trial cohort run by a highly-rated Israeli training provider, Elevation, took place in Rawabi at the end of 2022.

The UK-Palestinian Tech Hub

One identified area where the Trust considered it could add real value to the Palestinian tech ecosystem is through helping create strong and sustainable links, business and investment flows with the London/UK tech sector. This enables the Palestinians to draw on global experience and best-practice and helps increase the concentration of founders and local entrepreneurial heroes through exposure to an international developer network and experienced capital, as well as developing closer ties to global research and innovation and market trend.

To achieve this, together with the British Consulate General in Jerusalem, the UK-Palestinian Tech Hub has been created. Its first activity was bringing nine carefully selected Palestinian start-ups to a well-curated visit to London in October 2022, designed to facilitate partnerships with potential sectoral partners, investors and other relevant partners. The participants met with over 100 technology experts, companies and institutions on their 3-day visit, with several positive technological and financial cooperation follow-up activities ensuing. Two further successful visits took place in March and June 2023.

The Hub is currently in the process of being structured and socialised, with Board members being sought from the London tech community.

Mentoring Platform

Portland supported the development of a mentoring platform, a mobile and web application to enable experienced professionals in the UK and global tech industries to volunteer their time and expertise to support Palestinian founders and tech talent. A partnership with Palestinian startup incubator Intersect, the platform was in production throughout late 2022 and early 2023 and is expected to go live in late 2023.

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 was a structured intervention for 150 pre-diabetic women in West Bank refugee camps, designed to lead 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 programme consisted of an intensive nutritional educational course and regular physical exercise, with 14 core sessions (one 2-hour session per week) taking place over 3 months, focused on educating patients on sound nutritional habits and various topics on nutrition and physical exercise that enable weight management. This was followed by monthly follow-up sessions face-to-face for 32 months to ensure commitment, as well as 150 minutes of exercise per week to develop exercise habits. The outcome metric was the number and percentage of participants achieving a weight loss of 5% or more. The intervention was 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 2022, the project was brought to a conclusion. COVID-19 affected the delivery of the initiative, with women unable physically to exercise in line with diet intervention plans. As a result, many women regained weight they had lost. The project succeeded in creating a new health awareness among women in some of Palestine's most underserved locales, highlighting the need for similar interventions. It also paved the way to unlocking savings for Government and international bodies. A strong "lessons learned" closure report was produced for the project as part of Portland's enhanced project management cycle.

Tech Training Development Impact Bond (DIB)

In 2022 the Trust began work on structuring and fundraising for a \$10 million Development Impact Bond (DIB) in Palestine to increase the supply and quality of tech talent, as well as the value proposition of the Palestinian tech sector in the global market. This was based on ongoing market analysis of the shortage of appropriately skilled, job-ready tech talent, and the learned experience of the pilot - and pioneering - Talent Acceleration Platform.

In order to really scale up and most effectively impact the market, Portland partnered with Anera, a large American sustainable development NGO with sizable operations in the region in the fields of education and job creation. This is with a view to building a broader collaboration to accelerate and drive tech training and related activity further and faster and including more "verticals" across various technical tracks. This cooperation seeks to bring together the collective experience, wide market knowledge of the market and the fundraising capabilities of both parties to better drive growth of high-quality IT training in Palestine. Though ambitious, the realistic aim is for the enhanced, expanded enlarged programme to commence in late 2023. Anera also brings the experience of their "Plus" programme.

The DIB will fund training, upskilling and placement of Palestinians in well-paid employment (the main outcome indicator) according to the dynamic needs of both local and international companies, especially those interested in setting up, offshoring and siting R&D activity in Palestine. Portland and Anera are currently in talks with several potential investors and outcome payers whose prestige and in-kind support would be a major boost to the DIB's credibility and speed of delivery. Additionally, Social Finance UK is providing specialist support.

Building on the team on the ground that will be needed to establish and run the investor led SPV, which is in the process of being established, Portland is also seeking to create a foundation that can accommodate other, blended finance solutions. As well as the capabilities to deliver the DIB, the structure is being designed to scale to absorb the construction and delivery of other financial instruments in Palestine, i.e., vehicle(s) appropriate to deploy equity, debt, loans, grant and other capital flows into Palestine for the purposes of supporting the tech ecosystem. These may include e.g. a venture capital fund with public/international/blended investment, conditional grant schemes and co-investment programmes, first loss guarantee and other loan guarantee schemes, other social investments and other measures to reduce the cost of borrowing for tech companies in Palestine and that increase local market liquidity and available growth capital.

Economic Strategy for Palestine

Almost ten years ago, The Portland Trust, together with McKinsey & Company, published its seminal 'Beyond Aid' report. It became a widely referred-to blueprint to help drive investment, employment and growth in five key sectors in Palestine: agriculture, technology, tourism, construction and energy, and served as an unofficial guide for private sector development in Palestine.

A decade later, the circumstances have changed, and Portland has been leading a process to bring together Palestinian private sector stakeholders to draw up an up-to-date strategy for long-term economic growth. To this effect, Portland has again appointed McKinsey & Company to undertake the research, consultation and drafting of this new economic strategy, taking into account the lessons learnt from the previous experience and plan.

The outcome being worked towards is a 10-15 year roadmap of economic growth for Palestine that enables it to realise the maximum levels of potential GDP growth, employment and other key economic indicators. The preconditions and plans required to progress and succeed, such as the consideration of internal and external constraints, will be clearly set out, alongside the steps that need to be taken to overcome these and drive growth. The data and economic analysis in the evidence base of the report will be open-source and will be accessible on Portland's website.

The initial scoping of the strategy began at the end of 2022, with research and consultation work taking place throughout the first half of 2023. As at the date of audit, work on the strategy was underway, with the report presenting the strategy and recommended initiatives for development due to be launched in October 2023.

New Private-Sector Pension Scheme

Over many years Portland has worked to move to the next stage in catalysing a large-scale voluntary private sector pension scheme. This would reignite the Trust's past efforts in this area, which ultimately did not come to fruition due to the passing and subsequent withdrawal of the national Social Security Law by the Palestinian National Authority (PNA) in 2019.

A new effort was started in 2022, based on a different concept, designed with careful awareness of the local context and past obstacles to success in this area. In 2022, Portland held several rounds of discussions with Palestinian private sector leaders and publicly listed companies with a critical mass of interest and identified a potential pool of 15-20K employees to whom such a pension fund could be opened for on a voluntary basis, translating into an initial potential pension pot of some \$100m. Next steps were to form an exploratory committee of representatives of leading private sector companies for further consultations, and parallel discussions with the Ministry of Labour, to ensure the legal framework is appropriate and stable.

As of mid-2022, a pension scheme once again came onto the Palestinian Authority's agenda, with an initiative under consideration. Portland was also called on to explore the possibility of using state assets in a pension scheme context, which has been successfully seen in other examples in the developing world. With careful coordination therefore, the Trust ended 2022 scoping out how best to progress with support to catalyse a private pension scheme.

Enhancing Palestinian Paediatrics

Palestine has severe and growing paediatric healthcare needs, while Tel Aviv's Schneider Children's Medical Centre is one of the foremost paediatric care centres in the world, providing specialist care inter alia for children from all over the world. After detailed discussions, Portland has brought together several parties - including the Palestinian Authority Ministry of Health - to implement a multi-year programme of training medical staff and providing locally unavailable paediatric procedures to enhance capabilities in Palestine. Portland has appointed a specialist project manager to put in place robust procedures and processes and to establish strong working relationships. The Portland team is currently delineating the areas of a pilot we have agreed to support and needs to fundraise accordingly, as well as ensuring the appropriate agreement has all the appropriate KPIs, measurements and transparent facilitations, agreed by all sides.

C. Publications, Research and Events

Palestinian Economic Bulletin

The Portland Trust continued throughout 2022 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 expanding readership regionally. Currently, over 20% of the Bulletin's readers access it in Arabic.

As well as 12 editions of Bulletin, in 2022 the Trust also piloted a version of the publication in Hebrew and specifically designed for the Israeli market ("The Palestinian Economy Today") where traditionally the Bulletin has not had much traction, although economic policymakers there are a key target to receive information on the Palestinian Economy. The pilot was successful, receiving over 700 hits on the publication page (deemed high for a new publication) and over 800 YouTube hits for the video/podcast version. It also received positive feedback from stakeholders in the industry/business community, which shared the publication internally and found it (according to feedback) helpful and useful. Positive interest and feedback were also received from decision makers and several international bodies.

2023 Activities

In the first half of 2023, Portland made progress on drafting a renewed economic strategy for Palestine, moving towards an October 2023 publication date and setting up the delivery unit for implementation. As at the date of audit, it was working towards building an investor-led SPV in Palestine, as well as researching suitable possibilities for a viable funded private pension system there. It also made progress on developing a mentoring app to connect Palestinian tech talent with mentors

in the global industry, due to launch in Q4 of 2023. The Tech Training Development Impact Bond has received high interest from an initial investor, and there are several projects in the pipeline awaiting funding potential. The Bulletin has continued to be published and has received increased attention. In Israel, the Fursa and Beyond Dev programmes have continued to expand its employer's circle, mitigating a general freeze on hiring through more accurate targeting of employers' needs, the Northern Growth Engine has seen positive progress in the Regional Industrial Park, the Trust continues to promote the Arab Masterplan with the Israeli Government and the second cohort of Tora v'Daat students performed well-above peer group average, with a lower drop-out rate than comparable Haredi programmes. All first cycle Samana graduates were successfully placed and the NorthMed Innovation Centre had a successful opening in May, with several pipeline projects progressing well with regard to hi-tech anchors.

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; and
- 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, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 19 July 2023 and signed on the board's behalf by:

Ronald Cohen

Ronald Cohen (Aug 18, 2023 17:11 GMT+3)

.....
Sir R M Cohen - Chair

Opinion

We have audited the financial statements of The Portland Trust (the 'charitable company') for the year ended 31 December 2022 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 2022 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.

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.

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)

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, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities to detect material misstatements in respect of irregularities including fraud.

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 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-compliance 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 they 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved internal concealment, forgery, collusion, omission or misrepresentation.

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.

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

THE PORTLAND TRUST

Anthony Epton (Senior Statutory Auditor) for and
on behalf of Goldwins Limited
Statutory Auditor

75 Maygrove Road
London
NW6 2EG

19 July 2023

THE PORTLAND TRUST

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 December 2022

		Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
Income and endowments from					
Donations and legacies	2	964,190	1,660,622	2,624,812	2,740,858
Investment income	3	<u>5</u>	<u>-</u>	<u>5</u>	<u>351,199</u>
Total		<u>964,195</u>	<u>1,660,622</u>	<u>2,624,817</u>	<u>3,092,057</u>
Expenditure on					
Charitable activities	4				
Project expenditure		1,410,914	1,770,746	3,181,660	2,282,148
Support cost		<u>519,161</u>	<u>-</u>	<u>519,161</u>	<u>361,532</u>
Total		<u>1,930,075</u>	<u>1,770,746</u>	<u>3,700,821</u>	<u>2,643,680</u>
NET INCOME/(EXPENDITURE)		(965,880)	(110,124)	(1,076,004)	448,377
Reconciliation of funds					
Total funds brought forward		1,559,895	254,850	1,814,745	1,366,368
Total funds carried forward		<u>594,015</u>	<u>144,726</u>	<u>738,741</u>	<u>1,814,745</u>

The notes form part of these financial statements

THE PORTLAND TRUST

Balance Sheet
31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	10	8,295	14,126
Investments	11	<u>5</u>	<u>5</u>
		8,300	14,131
Current assets			
Debtors	12	119,372	141,495
Cash at bank		<u>974,613</u>	<u>1,891,743</u>
		1,093,985	2,033,238
Creditors			
Amounts falling due within one year	13	(363,544)	(232,624)
		<u>730,441</u>	<u>1,800,614</u>
Net current assets			
		738,741	1,814,745
Total assets less current liabilities		<u>738,741</u>	<u>1,814,745</u>
NET ASSETS		<u>738,741</u>	<u>1,814,745</u>
Funds	15		
Unrestricted funds		594,015	1,559,895
Restricted funds		<u>144,726</u>	<u>254,850</u>
Total funds		<u>738,741</u>	<u>1,814,745</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 19 July 2023 and were signed on its behalf by:

Ronald Cohen

Ronald Cohen (Aug 18, 2023 17:11 GMT+3)

Sir R M Cohen – Trustee

Sir M L Davis

Sir M L Davis- Trustee

The notes form part of these financial statements

**Cash Flow Statement
for the year ended 31 December 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(911,614)</u>	<u>514,363</u>
Net cash (used in)/provided by operating activities		<u>(911,614)</u>	<u>514,363</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,521)	(3,819)
Interest received		<u>5</u>	<u>-</u>
Net cash used in investing activities		<u>(5,516)</u>	<u>(3,819)</u>
Change in cash and cash equivalents in the reporting period		<u>(917,130)</u>	<u>510,544</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,891,743</u>	<u>1,381,199</u>
Cash and cash equivalents at the end of the reporting period		<u><u>974,613</u></u>	<u><u>1,891,743</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 31 December 2022

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
	2022	2021	
	£	£	
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,076,004)	448,377	
Adjustments for:			
Depreciation charges	11,352	14,391	
Interest received	(5)	-	
Decrease in debtors	22,123	38,746	
Increase in creditors	<u>130,920</u>	<u>12,849</u>	
Net cash (used in)/provided by operations	<u>(911,614)</u>	<u>514,363</u>	
2. Analysis of changes in net funds			
	At 1/1/22	Cash flow	At 31/12/22
	£	£	£
Net cash			
Cash at bank	<u>1,891,743</u>	<u>(917,130)</u>	<u>974,613</u>
	<u>1,891,743</u>	<u>(917,130)</u>	<u>974,613</u>
Total	<u>1,891,743</u>	<u>(917,130)</u>	<u>974,613</u>

**Notes to the Financial Statements
for the year ended 31 December 2022**

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. 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.

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.

2. Donations and legacies

	2022	2021
	£	£
Donations	<u>2,624,812</u>	<u>2,740,858</u>

3. Investment income

	2022	2021
	£	£
Investments	-	351,169
Deposit account interest	5	30
	<u>5</u>	<u>351,199</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	3,029,388	152,272	3,181,660
Support cost	-	519,161	519,161
	<u>3,029,388</u>	<u>671,433</u>	<u>3,700,821</u>

5. Support costs

	Management	Finance	Governance costs	Totals
	£	£	£	£
Project expenditure	17,039	135,233	-	152,272
Support cost	<u>387,863</u>	<u>30,699</u>	<u>100,599</u>	<u>519,161</u>
	<u>404,902</u>	<u>165,932</u>	<u>100,599</u>	<u>671,433</u>

6. Net income/(expenditure)

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

	2022	2021
	£	£
Auditors remuneration- Current year	8,000	8,000
Auditors remuneration - under provision 2020	-	15,282
Depreciation - owned assets	11,352	14,391
Other operating leases	<u>254,801</u>	<u>246,194</u>

7. Trustees' remuneration and benefits

There were no Trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

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

	2022 £	2021 £
Wages and salaries	661,624	490,633
Social security costs	193,057	52,987
Other pension costs	<u>4,566</u>	<u>2,727</u>
	<u>859,247</u>	<u>546,347</u>

The total employee benefits including pension contributions and employers' national insurance of the key management personnel were £167,256 (2021: £217,282).

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

	2022	2021
UK	5	5
Israel	5	5
Palestine	<u>4</u>	<u>4</u>
	<u>14</u>	<u>14</u>

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

	2022	2021
£90,001 - £100,000	-	-
£100,001-£110,000	-	-
£110,001-£120,000	1	1
Over £120,000	<u>3</u>	<u>2</u>
	<u>4</u>	<u>3</u>

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	1,330,016	1,410,842	2,740,858
Investment income	<u>351,199</u>	<u>-</u>	<u>351,199</u>
Total	<u>1,681,215</u>	<u>1,410,842</u>	<u>3,092,057</u>
Expenditure on			
Charitable activities			
Project expenditure	940,945	1,341,203	2,282,148
Support cost	361,532	-	361,532

9. Comparatives for the statement of financial activities - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Total	<u>1,302,477</u>	<u>1,341,203</u>	<u>2,643,680</u>
NET INCOME	378,738	69,639	448,377
Reconciliation of funds			
Total funds brought forward	1,181,157	185,211	1,366,368
Total funds carried forward	<u>1,559,895</u>	<u>254,850</u>	<u>1,814,745</u>

10. Tangible fixed assets

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 January 2022	35,409	45,182	46,207	126,798
Additions	<u>-</u>	<u>10</u>	<u>5,511</u>	<u>5,521</u>
At 31 December 2022	<u>35,409</u>	<u>45,192</u>	<u>51,718</u>	<u>132,319</u>
Depreciation				
At 1 January 2022	31,278	39,232	42,162	112,672
Charge for year	<u>4,131</u>	<u>1,984</u>	<u>5,237</u>	<u>11,352</u>
At 31 December 2022	<u>35,409</u>	<u>41,216</u>	<u>47,399</u>	<u>124,024</u>
Net book value				
At 31 December 2022	<u>-</u>	<u>3,976</u>	<u>4,319</u>	<u>8,295</u>
At 31 December 2021	<u>4,131</u>	<u>5,950</u>	<u>4,045</u>	<u>14,126</u>

11. Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2022 and 31 December 2022	<u>5</u>
Net book value	
At 31 December 2022	<u>5</u>
At 31 December 2021	<u>5</u>

There were no investment assets outside the UK.

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

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	10,802	9,607
Prepayments and accrued income	<u>36,424</u>	<u>59,166</u>
	<u>47,226</u>	<u>68,773</u>
Amounts falling due after more than one year:		
Other debtors	<u>72,146</u>	<u>72,722</u>
Aggregate amounts	<u>119,372</u>	<u>141,495</u>

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Social security and other taxes	37,012	24,368
Other creditors	49,696	34,241
Accruals and deferred income	<u>276,836</u>	<u>174,015</u>
	<u>363,544</u>	<u>232,624</u>

14. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets	8,295	-	8,295	14,126
Investments	5	-	5	5
Current assets	949,259	144,726	1,093,985	2,033,238
Current liabilities	<u>(363,544)</u>	<u>-</u>	<u>(363,544)</u>	<u>(232,624)</u>
	<u>594,015</u>	<u>144,726</u>	<u>738,741</u>	<u>1,814,745</u>

15. Movement in funds

	At 1/1/22 £	Net movement in funds £	At 31/12/22 £
Unrestricted funds			
Unrestricted funds	1,559,895	(965,880)	594,015
Restricted funds			
Restricted funds	254,850	(110,124)	144,726
TOTAL FUNDS	<u>1,814,745</u>	<u>(1,076,004)</u>	<u>738,741</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	964,195	(1,930,075)	(965,880)
Restricted funds			
Restricted funds	1,660,622	(1,770,746)	(110,124)
TOTAL FUNDS	<u>2,624,817</u>	<u>(3,700,821)</u>	<u>(1,076,004)</u>

Comparatives for 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>

Comparative 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>