

NEW ISRAEL FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Registered Company Number: 3296825 (England and Wales)
Registered Charity Number: 1060081

NEW ISRAEL FUND

FOR THE YEAR ENDED 31 DECEMBER 2013

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NEW ISRAEL FUND

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2013

Registered Office 25-26 Enford Street
London
W1H 1DW

Registered Charity Number 1060081

Company Registration Number 3296825

Bankers Coutts & Co
440 Strand
London
WC2R 0QS

Auditors haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Solicitors Berwin Leighton Paisner
Adelaide House
London Bridge
London
EC4R 9HA

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

The Trustees, who are also the directors of the charitable company, have pleasure in presenting their Trustees' Report together with the audited financial statements for the year ended 31 December 2013.

The financial statements are in accordance with current statutory requirements, the memorandum and articles of association and Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) and the Companies Act 2006.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution

The New Israel Fund is a Charity (registered number 1060081) and a Company limited by guarantee with no share capital (registered number 3296825). The governing document is the Memorandum and Articles of Association.

The object for which the Charity is established is the advancement of such purposes as the Charity shall think fit in the State of Israel and in the territories in "The Near or Middle East" to the extent that the same are charitable according to the laws of England and Wales.

Under the Memorandum of Association, the Charity has the power to invest the monies of the Company not immediately required for its purpose in such investments as the Trustees consider appropriate, subject to any conditions or consents imposed by law.

New Israel Fund International acts as an agent for the Charity in distributing funds in the State of Israel pursuant to an agreement dated 7 February 2001, although direct distribution in Israel is also carried out.

Board of Trustees

The Board of Trustees (who are also individually members of the Company) is required to conduct the affairs and the general business of the New Israel Fund and meets regularly. The Articles of Association provide that one third of the Trustees must retire at each Annual General Meeting (AGM).

Persons being appointed or re-appointed must be recommended to the Board or proposed by a Company member and not less than 14 or more than 35 days before the date of the AGM together with a notice of willingness to be appointed or re-appointed signed by the proposed Trustee.

At the end of the year the Board comprised:

Nicholas Saphir	Chair
Lord Beecham	Vice Chair
David Bernstein	
Lance Blackstone	
Julie Blane	
Alexander Bodin Saphir	
John Cohen	
Jason Goodman	(resigned 6 March 2014)
Daniela Jaff-Klein	
Daniel Levy	
Deborah Lewis	
Jon Mendelsohn	
Noam Tamir	
Miles Webber	
Sir Trevor Chinn	(appointed 28 February 2013)

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

STRUCTURE GOVERNANCE AND MANAGEMENT

Trustee Recruitment, Induction and Training

New members of the Board are recruited by existing Trustees to maintain or augment the range of skills and experience appropriate to the needs and activities of the Charity and subsequently proposed for election by the Members at the AGM.

On appointment new Trustees are provided with appropriate Charity Commission guides. A copy of the Memorandum and Articles of Association, a full set of the Charity's Policies, the current Strategic Plan, the latest Statutory Accounts and an outline of their duties and responsibilities. New Trustees meet with the Chairman and Chief Executive to undertake the induction process.

Organisation

The Board delegates responsibility for the day-to-day management of the Charity to the Chief Executive and Professional Team who report to the Board on the performance of the Charity. Trustees review financial and operational trends measured against the annually approved budget. Key Performance Indicators and Business Plans have been developed to assist this process.

Risk Management

The Trustees regularly review areas of risk across the range of the Charity's activities. The annual budget and business planning processes include reviews and assessment of the possible risks to the Charity, the consequences of those risks and plans to mitigate their effects on the delivery of the charitable services. This framework of risk is then actively monitored across the organisation. The Trustees are notified of any significant changes in the risk to the organisation.

The Board maintains a risk register which covers all areas of activity and which is under periodic review. The trustees adopted a revised risk register in summer 2013, following a review by the audit committee. The trustees continue to review key risks. The economic context continues to be monitored and discussed by staff and the Board, resulting in subsequent changes in activity and/or planning as appropriate.

PRINCIPAL GOALS AND ACTIVITIES OF THE NEW ISRAEL FUND

The New Israel Fund is an independent charity registered in England and Wales that is part of an international philanthropic partnership working to strengthen Israel's democracy and to promote freedom, justice and equality for all Israel's citizens.

Our main goals and activities are to:

- Raise financial and other support for the New Israel Fund activities in Israel
- Inform the UK Jewish and general community about the work supported by the New Israel Fund in Israel, and
- Educate the UK Jewish and general community about Israeli society from the perspective of human rights and social justice.

Public Benefit

In setting the Fund's objectives, the Trustees have paid due regard to the Public Benefit guidance published by the Charity Commission.

Aims and Objectives

The New Israel Fund is the leading organisation advancing equality and democracy for all Israelis. We are a partnership of Israelis and supporters of Israel worldwide, dedicated to the vision of the State of Israel as the sovereign expression of the right of self-determination of the Jewish people and as a democracy dedicated to the full equality of all its citizens and communities. NIF is committed to advancing the values of human dignity enshrined in Israel's Declaration of Independence which it views as the key to its long-term security and survival. Our values drive our work. We address 5 key issue areas: civil and human rights, social and economic justice, shared society, religious freedom and environmental justice.

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

PRINCIPAL GOALS AND ACTIVITIES OF THE NEW ISRAEL FUND (continued)

NIF's Work in Israel

New Israel Fund (NIF) helps Israel live up to its founders' vision of a state that ensures complete equality of social and political rights to all its inhabitants.

From Israel's first rape crisis centres, to the passage of the law banning torture in civilian interrogations, NIF funded organisations have driven positive social change and furthered justice and equality. Widely credited with building Israeli progressive civil society, we have provided over \$250 million to more than 850 organisations since our inception in 1979. And we are more than a funder; NIF is at philanthropy's cutting edge thanks in large part to our action arm Shatil, the New Israel Fund Initiative for Social Change. Today, NIF is a leading advocate for democratic values. It builds coalitions, empowers activists and often takes the initiative in setting the public agenda.

NIF is based on a simple idea: individuals who care about Israel and believe in progressive values can join together to work for an Israel in which everyone is treated with dignity, for an Israel in which a shared society can truly take root, for an Israel in which Jewish life is inclusive in every respect. NIF's vision is for the State of Israel to:

- Achieve equality for all the citizens of the state regardless of religion, national origin, race, gender or sexual orientation;
- Realise the civil and human rights of all individuals and groups through the protection of Palestinian citizens and other marginalised minorities, including the advancement of collective rights, and opposition to all forms of discrimination and bigotry;
- Recognise and reinforce the essential pluralism of Israeli society and tolerance for diversity;
- Protect the access of minorities to democratic channels for the expression of their interests and identities and the promotion of their rights;
- Empower civil society in Israel as the fundamental vehicle of an open society;
- Build and maintain a just society at peace with itself and its neighbours.

NIF UK achieves its charitable objects and supports the work of NIF in Israel both by raising funds and by raising awareness through our educational activities in the UK. The decision on how funds raised in the UK are spent in Israel is made by the trustees of NIF UK with appropriate regard made to the intentions of our donors.

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN 2013

NIF accomplished significant achievements in 2013. In the UK, we had a record fundraising year and continued to grow the number of people whom we reach through our educational activities. In Israel, NIF continues to target some of the most pressing and challenging issues facing society. We have seen significant progress in our work promoting tolerance and ensuring greater social and economic equality for some of Israel's most disadvantaged communities.

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL

Over the past year, New Israel Fund and Shatil, NIF's Initiative for Social Change, has achieved a number of victories in the struggle for a more democratic and socially just Israel. We continue to increase our reach across Israeli society, working with new communities, promoting human rights, religious freedom, and social, economic and environmental justice.

Our work this year has addressed some of the key trends within Israeli society. One trend we have been particularly concerned about is the increase in incitement, violence and racism, directed mainly at minorities, for example Israeli Arabs and refugees. We have witnessed this issue in various sections of Israeli society, including at the institutional level and from some public figures.

NIF is committed to tackling racism and building a shared society as a top priority for our work. Examples of how we tackle racism include our support for the *Tag Meir* coalition which provides a Jewish response to extremist acts and the *Coalition Against Racism*.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL IN 2013 (continued)

Shatil and the *Association for Civil Rights in Israel (ACRI)* are at the forefront of challenging racism and discrimination within politics and government. We are also active in education and public outreach work that promotes tolerance. NIF continues to be a leading light in building a shared society.

We supported community groups in mixed cities such as Haifa, Lod and Jaffa. We worked with residents of cities with large Arab populations including Carmiel and Nazareth Illit that are not recognised as mixed, to ensure equality in housing and education and to build bridges between all residents. The Bedouin in the Negev continues to be a key focus, particularly with the Praver-Begin plan and the continuing high-levels of poverty and social issues faced by many Bedouin communities. More detail is provided below.

NIF is nurturing a more positive trend in the grassroots level, where Israeli citizens are mobilising on social and economic issues to change Israeli society from within. NIF is supporting new grassroots groups such as *Social Guard*, *Hama'abara*, *HaLo Nehmadim* and others, which have emerged from the 2011 social protest movement to give voice to public engagement on socio-economic and accountability issues. At the same time we continue to support groups working from the ground up in some of Israel's most disadvantaged communities to improve their socio-economic status.

NIF's work this past year took place upon the backdrop of the 2013 national elections, with the entry of 48 new Knesset members. Many of the issues that NIF addresses were high up the agenda of the new Knesset, with moves to pass liberal domestic reforms, particularly on issues of religion and state. There have however been further attempts to pass anti-democratic measures, such as the Praver-Begin Plan as well as deep cuts to the State budget and welfare provisions.

NIF continues to increase its engagement with the Israeli public from all communities. We sent out our annual Yom Kippur supplement, with interviews from 12 leaders of NIF grantee organisations, reaching 100,000 Israeli families through *Haaretz* newspaper and synagogues.

The Israeli members of NIF's International Council include high profile business people, academics, artists, Nobel Laureates and public figures. They serve as 'validators' for NIF's work. Many Council members have been involved in our pilot in the town of Yerucham in the Negev working with the municipality and local leaders to influence the local agenda towards democratic values. The Council organised a series of events including high profile lectures and sponsored a three-day festival over Sukkot, marking the 50th anniversary of North African Aliyah.

In 2013, Shatil celebrated its 30th anniversary, releasing a series of videos celebrating its impact on social change. Over 200 people, including activists, organisational representatives and academics attended Shatil's International Conference, entitled "People Making Change a Reality: Building Civic Power." At 30, Shatil has guided 83 coalitions; influenced 500 laws, bills and amendments; and offers 13,000 consulting hours per year, with 2,500 participants in training and seminars annually.

The following is a selection of highlights from NIF core programmes in 2013:

Democracy and Human Rights

In 2013, NIF worked on three main areas of activities: 1) combating racism; 2) safeguarding democracy; 3) peace and human rights in the occupied territories.

The *Tag Meir* (Light Tag) Forum responds to extremist Price Tag attacks. It brings together 35 diverse Jewish organisations to express public solidarity with victims of attacks – Arabs, human rights activists – which are often perpetrated by extreme settlers. It mobilises within 48 hours of attacks by meeting victims and holding public events. Its work has been recognised in the Knesset and it is developing educational resources for schools with the Ministry of Education.

The *Coalition Against Racism* brings together 19 organisations representing diverse sectors of Israeli society who are committed to working together to tackle racism. As well as its monitoring and awareness-raising work, the *Coalition* develops innovative programmes. In May 2013, working with Shatil, the *Coalition* launched "ReLevant", a Russian-language website providing commentary on current events and establishing a pluralistic dialogue.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL IN 2013 (continued)

In December, Shatil also launched a Russian-Speaking Experts Bank, aimed to proactively increase representation of diverse Russian-Israeli voices into mainstream Russian and Hebrew media work.

More than 200 activists came together for the 2013 "Strategies for Fighting Racism" Conference, organised by Shatil. The annual report of the *Coalition against Racism* indicates a sharp rise in institutional racism and racist acts by civilians. NIF continues to prioritise the plight of African refugees and asylum seekers. The advocacy work of the groups we support, including *Hotline for Migrant Workers* and *ACRI* resulted in Israel's Supreme Court invalidating the law which allowed the arbitrary imprisonment of African asylum seekers for up to three years.

In addition to ongoing advocacy, NIF's strategic focus is on community work and cohesion – building bridges between asylum seekers and Israeli citizens, especially those living in areas where there are refugee populations. NIF-grantee, *Power to the Community*, works with *Ahoti* (a Mizrahi organization) and the *African Refugee Development Centre* to hold regular dialogue groups of veteran Israeli residents together with asylum seekers with the aim to diffuse tensions and build trust. One of the outcomes is to establish joint patrols in coordination with the police, to tackle issues of security and misperceptions in South Tel Aviv.

ACRI and Shatil's *Center for Policy Change* continue to offset threats to democracy through direct advocacy in the Knesset, developing strategic working relationships with many of the new MKs as well as Justice Minister Tzipi Livni. Shatil sends a newsletter each week to over 2,000 organisations, journalists and MKs, explaining the bills that the Ministers' Legislative Committee will discuss.

Working to prevent human rights abuses in the occupied territories and to engage a new generation of Israelis, NIF-grantees *Breaking the Silence*, *Machsom Watch*, and *Council for Peace and Security* targeted their outreach to thousands of university students, establishing young members' groups. *Breaking the Silence* released 46 testimonies by female soldiers.

Thanks to the legal support of NIF grantee *Human Rights Defenders Fund*, a Jerusalem district court ruled in favour of a group of five Facebook activists sued for libel by the extremist Im Tirzu movement. The NIF social network, *Lo Nistom* is followed by 11,000 young human rights activists.

In response to an *ACRI* petition, the High Court criticised the poor provision of postal services in Palestinian neighbourhoods of Jerusalem. The Jerusalem Municipality has promised that all streets will be named and houses numbered by the end of 2014. On the issue of the State's plan to expel some 1,000 Palestinians living in eight rural villages in *Firing Zone 918* in the South Hebron Hills, the High Court arranged for a mediation process between the State and the *ACRI*-led petitioners.

Social and Economic Justice

In 2013, NIF's main priorities were: 1) empowering disadvantaged communities at the periphery of Israel; 2) affordable housing and the social budget.

Shatil's *Local Sustainable Economic Development* project in the Negev encourages sustainable prosperity by helping support community groups and social entrepreneurs. For example, *Community Kitchens* is a women's microfinance initiative which provide meals to school children and addresses food security, local economic development and job creation (as well as bringing Jewish and Arab residents together). The Hura Community Kitchen provides 6,100 meals per day to elementary and kindergarten children and employs 16 women. In December 2013, over 400 people from government, business and civil society took part in a three-day conference organised by Shatil. Our work with marginalised Jewish communities in the Negev continues on issues including the lack of medical facilities. One highlight was that NIF grantee *Ahuzat Negev* succeeded in getting a 24/7 medical emergency centre opened in Ofakim.

A number of important achievements for the Ethiopian Israeli community resulted from work by NIF grantee, the *Israel Association for Ethiopian Jews*. The list of localities where young couples are eligible for an increased mortgage was expanded. The Ministry of Education reversed its decision to close schools where more than half of the pupils are Ethiopian Israelis and instead adopted an approach based not on the percentage of Ethiopian pupils but rather on their achievements.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL IN 2013 (continued)

Thanks to campaigning by NIF grantee *Coalition for Affordable Housing*, the Knesset passed a law requiring that 25% of building projects of at least 100 units be reserved for affordable housing.

In response to the State budget cuts, Shatil-led *Forum for a Social Budget* succeeded in its campaigns to establish a new inter-ministerial committee to combat poverty which has led to more protection being given to the most vulnerable. The *Forum* led discussions that resulted in the reduction of cuts to the most vulnerable sectors, protecting NIS 3.5 billion in benefits.

NIF-grantee *Itach-Ma'aki* succeeded, after a long battle, in making the working conditions for teachers' assistants in the Haredi education system equal to those in other parts of the education system.

Shared Society

In 2013, NIF focused mainly on: 1) mixed cities; 2) improving the status of Arab women; 3) safeguarding the rights of the Bedouin in the Negev.

Shatil is guiding community organising and advocacy efforts of resident groups in mixed Jewish Arab cities with the aim of ensuring equality in education and services and promoting a culture of tolerance and shared living.

A major victory was chalked up this year when Education Minister Shay Piron announced that an Arab school will be built in Upper Nazareth, where 17% of the population is Arab. A Shatil-led citizens group is leading the campaign. In Haifa this year, Shatil held a course on conflict transformation for Haifa's community workers, as a first stage in implementing the recommendations of Shatil's *Haifa Shared City Initiative*. Shatil is now establishing the *Haifa Center for Dialogue and Conflict Management*. Its partners include the municipality and the Technion.

NIF and Shatil continue to support local initiatives to advocate for the housing rights of Arab residents in mixed cities such as Akko, Lod, and Jaffa. For example, in 2013, NIF grantee *Darna* in Jaffa succeeded in increasing awareness of local housing and planning problems and in organising the community to put pressure on the municipality. In 2013, together with the legal clinic at Tel Aviv University, *Darna* assisted in over 334 individual cases of Arab and Jewish families facing eviction.

NIF grantees *Mossawa* and *Women against Violence* have succeeded in encouraging and guiding potential Arab women candidates in the municipal elections. Ultimately, 165 Arab women threw their hat in the ring, and many were placed high on the party lists. NIF supported organisations are at the forefront of initiatives to tackle domestic violence and protect young girls. We also continue to support women's economic empowerment. NIF grantee, *Tzofen* launched its first Hi-Tech Support Course for women in the Triangle Region.

Significant emphasis was given to ensuring equality for Bedouin citizens in the Negev. In the wake of the decision to approve the Praver-Begin Plan to resettle tens of thousands of Bedouin citizens, the struggle against its implementation was a top priority for Arab civil society in Israel. The *Forum for Equality and Justice in the Negev*, coordinated by Shatil, is engaged in intensive campaigning. The *Negev Coexistence Forum*, a joint Arab-Jewish organisation has organised tours for hundreds of people to unrecognised villages.

Our *Kick Racism out of Israeli Football (KRO)* programme celebrated its 10th Anniversary in 2013. It continues to monitor racism in stadiums and promote tolerance and greater sporting behaviour. This year was marked by a 25% increase in the number of fans condemning expressions of racism and violence at matches. *KRO's* community work included a conference on tolerance in football in Jerusalem and supporting neighbourhood leagues which bring Jewish and Arabs kids together.

Religious Freedom

In 2013, NIF focused on: 1) promoting freedom of choice in religion; 2) safeguarding the rights of women in the public sphere.

Shatil established a Task Force for Civil Marriage, comprised of leading pluralism organisations and NIF grantees including *Yisrael Hofshit*, *Hiddush*, the Masorti and Reform Movements, *Mavoi Saturm*, *International Coalition for Agunah Rights*, *Israel Religious Action Centre*, and *Bina*. This issue was also addressed by modern Orthodox organisations.

NIF supports moderate Orthodox organisations, some of whom are leading efforts to counter the radicalisation of State-funded religious schools.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL IN 2013 (continued)

NIF grantee *Ne'emanai Torah V'avodah* prevented gender segregation in elementary schools in 6 towns last year. Other moderate Orthodox groups are taking the lead in combating racism against non-Jews, including incitement led by rabbis.

In April, a precedent-setting ruling, decided as a response to the continual arrests and harassment of NIF grantee *Women of the Wall*, held that the Orthodox authorities do not have a monopoly on determining how Jews pray at the Kotel. Following a legal struggle by *IRAC*, at the end of 2013, the government announced that it will allow rabbis from the Reform and Conservative movements to serve as state-salaried community rabbis.

Attorney General Yehuda Weinstein instructed the government to stop the exclusion and segregation of women in the public sphere, following a campaign by NIF and its grantees. As part of NIF's "Women Should be Seen and Heard" initiative, 400 young people enjoyed an evening of women's stand-up comedy, in partnership with *Hillel House* at Hebrew University.

The Shatil-initiated *Advot Forum* held its second conferences on the need to train *mikveh* attendants to recognise signs of distress, the labour rights of *mikveh* attendants, and their struggle for recognition within the male dominated rabbinical establishment. *Advot* wants to transform the *mikveh* into a space in which trained *balaniot* facilitate discussions with women on issues such as domestic violence and women's health.

Environmental

In 2013, NIF has continued to campaign on environmental issues, and train the next generation of environmental activists.

Shatil-coordinated *Forum for Responsible Planning* won this year's prestigious Green Globe award – Israel's environmental Oscars. The Forum campaigned successfully against a proposed planning bill which threatened to alter Israel's social and environmental landscape. Their campaign resulted in significant amendments to the proposed reform of Israel's Planning and Building Law.

Shatil completed a successful *Advocacy Training Program for Environmental Activists* in the Centre as well similar programmes in the North and in the Negev. In collaboration with *Life and Environment* and *Society for the Protection of Nature in Israel*, participants gained professional training on developing strategies, promoting environmental agendas and influencing policymakers.

We continue to support the *Porter Fellows* scheme where Masters Students intern in Israeli environmental organisations.

UK ACHIEVEMENTS AND PERFORMANCE IN 2013

NIF's core activities in the UK are raising funds for NIF's work in Israel and educating and raising awareness within the UK Jewish and general community about the issues we address in Israel. Both sets of activities help achieve our charitable objectives.

2013 was a record-breaking year for NIF in the UK. We achieved our highest ever fundraising amount and made our largest ever contribution to NIF Israel. Our activities in the UK went from strength to strength with the addition of innovative online activities alongside our more traditional events. This helped us to increase the number of people we reach with our work.

Fundraising

2013 was a record fundraising year, with an income of £1,652,258. This represents a 29% increase on 2012.

We were pleased to exceed our previous fundraising results. This growth was driven by successful retention and return of previous donors as well as a large legacy gift. We were also delighted to receive a large number of first time gifts.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

UK ACHIEVEMENTS AND PERFORMANCE IN 2013 (continued)

Our Human Rights Awards Dinner achieved a strong result. We also are beginning to see an increase in online donations and community fundraising – whether through partnerships or sponsorship events. We expect to see an increase in this trend in coming years. We were delighted to be appointed as the Israel charity partner for the Movement for Reform Judaism whilst building our relationships with synagogues from different streams.

Our success in 2013 was against the backdrop of a challenging fundraising environment due both to the pressures faced by all charities and specific challenges faced by charities seeking to raise funds for Israel-based causes.

We do not anticipate these circumstances substantially changing in 2014, but remain confident we will continue to see growth in support for New Israel Fund.

Educational Activities

New Israel Fund remains committed to providing the community with a positive and meaningful platform for engagement with Israel. In 2013 we reached around 3,000 people through our events and speaking opportunities. We held 31 events and spoke at 22 other events (e.g. Limmud and synagogues).

Our 2013 events year started off strongly with our Israeli elections evening. Other highlights included the speaking tours by Dr Gadi Gvanyahu of the *Tag Meir* coalition and Rotem Ilan of *Israeli Children*. These speaker events ranged from sermons in synagogues to meetings held in our supporters' homes. Through our events and speakers we managed to work with a growing number of communities across the religious spectrum. We also had a strong presence at the annual Limmud Conference led by NIF International Council Chair, Talia Sasson.

Our special activities in 2013 include the co-hosting of the *Kick Racism Out of Israeli Football (KRO)* delegation, our co-screening of the *Gatekeepers* film and our Human Rights Awards Dinner.

To mark 10 years of *KRO* Israel, working with the English Football Association, we brought over a delegation of community leaders who use football to build bridges. The delegation met with leading figures in English football and was honoured at a high profile event hosted by the Israeli Ambassador and FA Chairman David Bernstein, at which speakers included Alistair Burt, the Minister of State for the Middle East.

The group also met with NIF supporters. The delegation's trip received high-profile coverage in the national and Jewish media and was the precursor to the NIF organised event during the European Under-21 Championships in Israel at which the Israeli and English teams met with young people who participate in our *KRO* community programmes.

We co-hosted a screening of the *Gatekeepers* film, with Yachad and the Jewish Film Festival, followed by a Q&A with Ami Ayalon, the former head of the Israeli Security Services.

Our Human Rights Awards Dinner celebrated young leadership and we honoured Itzik Dessie (*Tebeka*), Amal Elsana Elhajooj (*AJEEC*) and Mickey Gitzin (*Israel Hofsheet*). Merav Michaeli MK was our keynote speaker, with 350 people attending the event.

Our events were complemented by a significant expansion in 2013 of our online activities. We launched our Vote for Change initiative – a competition where we asked people to vote for which of the four shortlisted organisations should receive the small prize fund. Over the two competitions 1,874 people voted and there were 5,998 visits to the Vote for Change website. More generally, we grew our social media presence and continued the year-on-year trend of growth in website traffic and media coverage. We achieved over 30 pieces of positive media coverage, including in *The Jewish Chronicle*, *Jewish News*, *Daily Mail*, *Independent*, *Guardian*, *The Telegraph* and on *BBC Radio 4*.

Projects

New Generations

New Gen is the NIF group for young professionals which provides a space for creative engagement with Israel. 2013 was a pivotal year for New Gen with a younger cohort of participants being identified and new leadership and resourcing being established. New Gen continued to hold regular events including debates and speaker events. New Gen also held its most high profile event yet: a concert with up-and-coming Israeli singer Ester Rada.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

UK PERFORMANCE AND ACTIVITIES IN 2013 (continued)

UK Task Force on the Issues Facing the Arab Citizens of Israel

NIF continues to play a leading role in the Task Force, sitting on its executive and working with our partners to deepen UK Jewish engagement and understanding of the challenges facing this population group (e.g. by speaking on behalf of Task Force).

We are pleased with the growth in Task Force membership, its increasing focus on younger generations in the community and the development of its new strategy. We were strongly represented on the Task Force's third study trip to Israel (which included visits to NIF projects in the mixed cities).

Resources for Rabbis

Working with our Rabbinic associate, NIF produced a series of resources for rabbis and educators around Jewish festivals. These were shared widely and provided an opportunity for us to educate about our work through the lessons and values of Jewish festivals.

William Frankel Social Justice Fellowship

The Fellowship, launched in 2010, provides the opportunity for young British people to experience a ten-month internship in a social change organisation in Israel. We were delighted to be able to run a Fellowship for the 2013-14 academic year. We have also begun working with the alumni of the Fellowship as they return to the UK.

Leadership

Sir Trevor Chinn CVO was appointed to the Board in early 2013. With the Board members appointed in 2012 completing their first full year, the board was able to focus on its strategic priorities and develop plans for future growth.

2013 was the first full year of our Advisory Council – which met quarterly to help NIF consider some of its most strategic challenges. It brings together a diverse group of NIF supporters and community leaders of different generations.

FINANCIAL OUTCOME FOR THE YEAR

With income of £1.65m in 2013 compared with £1.28m in 2012, and expenditure of £1.32m (2012: £1.23m), NIF had a surplus of £330k (2012: surplus of £45k). Charitable expenditure was £1.2m (2012: £1.1m). Our grants payable of £913k enabled NIF UK to support over 80 grantees and programmes in Israel that are of particular interest to the UK community. The costs of generating funds were £117k (2012: £122k). NIF's cost base was reduced throughout the year as a result of staffing changes and a greater emphasis on reducing costs.

Reserves Policy

The Board's reserves policy is to maintain a minimum level of 6 months' operating costs in light of the predominant risks to the organisation, specifically a fall in income. The reserve goal for 2014 has been set at £150,000. The Board has reviewed the current free liquid reserves of the Charity and considers that, in view of the anticipated expenditure plans over the next year, the level is sufficient.

Employee Consultation

Employees are vital to the delivery of our charitable objectives. The Charity believes in, and practises, open communication with the employees.

Disabled Employees

Applications for employment for disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned, and subject to any reasonable adjustment to the physical environment and job design in line with the statutory requirements of the Disability Discrimination Act. We will support disabled people applying for employment by obtaining further medical advice and support, to help consider their applications as fairly and fully as possible.

Every effort is made to ensure that if a member of staff becomes permanently disabled during their employment with the Charity, their employment continues and any additional training and support is provided.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the New Israel Fund for the purposes of company law) are responsible for preparing the Trustees' Report 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 these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK 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 that disclose with reasonable accuracy at any time of the financial position of the charitable company and 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 we are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.


STRATEGIC AIMS AND PLANS FOR THE FUTURE

New Israel Fund's strategic goals are to become a major force within the UK Jewish community, as a way to garner greater support for our work in Israel and related educational work in the UK. We aspire to more than double our revenue and support within the next three to five years. NIF will also seek to expand our educational activities substantially to raise awareness and understanding of the social needs, challenges and successes within Israeli society. This includes activities with younger generations who the Board have identified as a priority group. This will require an increasing visibility in the community, including an expansion of communications work in the Jewish and general media. We are also looking at developing new projects which represent innovative ways of achieving our charitable purposes. With the new UK activities strategy and the refreshed board, lay and staff leadership we believe we are well positioned to achieve our ambitions.

AUDITORS

haysmacintyre were re-appointed as auditors at the 2013 annual general meeting. A resolution to reappoint them as auditors will be proposed at the next annual general meeting.

This report was approved by the Board of Trustees on 10 April 2014 and signed on its behalf, by:


Nicholas Saphir
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NEW ISRAEL FUND

We have audited the financial statements of New Israel Fund for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Report, 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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial; and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

.....

Richard Weaver
Senior Statutory Auditor
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

..... 2014

NEW ISRAEL FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2013

INCOME AND EXPENDITURE		Unrestricted Funds £	Restricted Funds £	Total funds 2013 £	Total funds 2012 £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income					
Donations and gifts	2	884,080	768,178	1,652,258	1,278,934
Interest receivable	4	349	-	349	233
Total incoming resources		<u>884,429</u>	<u>768,178</u>	<u>1,652,607</u>	<u>1,279,167</u>
RESOURCES EXPENDED					
Charitable activities:					
Israel Projects	5	213,919	715,767	929,686	831,287
UK Programme		257,138	9,498	266,636	270,347
		<u>471,057</u>	<u>725,265</u>	<u>1,196,322</u>	<u>1,101,634</u>
Cost of generating funds	6	117,138	-	117,138	121,665
Governance costs	6	9,329	-	9,329	10,678
Total resources expended		<u>597,524</u>	<u>725,265</u>	<u>1,322,789</u>	<u>1,233,977</u>
Net movement in funds the year		286,905	42,913	329,818	45,190
Fund balances brought forward at 1 January 2013		<u>154,411</u>	<u>71,713</u>	<u>226,124</u>	<u>180,934</u>
Fund balances carried forward at 31 December 2013		<u><u>441,316</u></u>	<u><u>114,626</u></u>	<u><u>555,942</u></u>	<u><u>226,124</u></u>

All of the above results were derived from continuing activities. The Charity has no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	£	2013	£	£	2012	£
FIXED ASSETS							
Tangible assets	8			4,156			7,052
CURRENT ASSETS							
Debtors	9	101,419			6,610		
Cash at bank and in hand		465,378			228,725		
		<u>566,797</u>			<u>235,335</u>		
CREDITORS: amounts falling due within one year	10	<u>(15,011)</u>			<u>(16,263)</u>		
NET CURRENT ASSETS				551,786			219,072
NET ASSETS				<u>555,942</u>			<u>226,124</u>
Unrestricted funds	11			441,316			154,411
Restricted Funds	12			114,626			71,713
				<u>555,942</u>			<u>226,124</u>

The financial statements were approved and authorised for issue by the trustees on 10 April 2014 and signed on their behalf by:



 Nicholas Saphir
 Chairman

The accompanying notes form part of these financial statements.

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below:

Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005), applicable accounting standards and the Companies Act 2006.

Incoming Resources

Voluntary income which includes donations, gifts and legacies are recognised when the charity is legally entitled to the income, certainty of its receipt and the amount can be quantified with reasonable accuracy. The date of entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. Where donors impose conditions which have to be fulfilled before the charity becomes entitled to such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

Charitable income is recognised on an accruals basis. Investment income is recognised on a receivable basis.

Resources Expended

Expenditure is charged to the revenue account on an accruals basis and has been classified under headings that aggregate costs related to each particular charitable activity. Grants are included in the financial statements when approved by the Trustees and notified to recipients. The value of committed grants unpaid at the year end is accrued. Support costs that relate to the delivery of our charitable activities including IT, payroll, administration, health and safety, human resources, print, communications and management, have been allocated to activities on a basis consistent with the use of the resources. Governance costs are costs incurred in the meeting of constitutional and statutory requirements of the charity.

Pension costs

The charity contributes to a defined contribution scheme for one of its staff. Contributions are charged in the year in which they become payable.

Funds

Restricted Funds: Where a donor has specified a particular purpose for a donation, the income is recognised in the statement of financial activities, and it is held in a separate restricted fund which can only be used for the purposes originally specified by the donor.

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Tangible Fixed Assets

Depreciation is calculated by the straight line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows.

Computers and equipment - 3 years

2. DONATIONS AND GIFTS

	2013 £	2012 £
Individual donors	789,785	381,122
Trusts and Corporate donors	862,473	897,812
	<u>1,652,258</u>	<u>1,278,934</u>

Included in individual donors are legacies of £470,147 (2012: £970).

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

3. NET INCOME FOR THE YEAR			2013	2012
			£	£
The net income for the year is stated after charging:				
Depreciation			2,896	1,634
Auditors remuneration:				
Audit			6,850	6,600
Other			924	912
			<u> </u>	<u> </u>
4. INCOME FROM INVESTMENTS			2013	2012
			£	£
Bank interest receivable			349	233
			<u> </u>	<u> </u>
5. ISRAEL PROJECTS EXPENDITURE			2013	2012
			£	£
Grants:				
Shatil – NIF Initiative for Social Change			95,853	138,684
Civil and Human Rights			302,164	261,051
Religious Pluralism and Tolerance			40,167	3,263
Social and Economic Gaps			315,856	243,104
Environment			158,841	169,683
			<u> </u>	<u> </u>
Total grants payable			912,881	815,785
Grant support costs			16,805	15,502
			<u> </u>	<u> </u>
			<u>929,686</u>	<u>831,287</u>
6. ANALYSIS OF TOTAL RESOURCES EXPENDED				
	Direct	Allocated	2013	2012
	Costs	Costs	Total	Total
	£	£	£	£
Charitable activities:				
Israel Projects	912,881	16,805	929,686	831,287
UK Programme	93,606	173,030	266,636	270,347
Cost of generating funds	18,111	99,027	117,138	121,665
Governance costs	9,329	-	9,329	10,678
	<u>1,033,927</u>	<u>288,862</u>	<u>1,322,789</u>	<u>1,233,977</u>

None of the trustees received any emoluments during the year. No expenses were reimbursed to trustees while on the charity's business during the year. Trustee indemnity insurance paid in the year was £1,018 (2012: £1,018).

Included in other costs are foreign exchange losses of £1,781 (2012: losses of £354).

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

7. STAFF COSTS	2013 £	2012 £
Wages and salaries	189,767	185,789
Social security costs	19,047	19,104
Pension costs	3,348	1,500
	<u>212,162</u>	<u>206,393</u>

Staff costs of £5,300 (2012: £5,152) are charged to Israel Projects, £136,214 (2012: £125,085) to UK Programme and £70,648 (2012: £76,156) to costs of generating funds.

The average weekly number of employees engaged in the activities of the Charity during the year, calculated on full time equivalents, was 5 (2012: 5). One employee had emoluments (including benefits in kind) between £60,001 and £70,000 in the year (2012: one).

8. TANGIBLE FIXED ASSETS	Computers and equipment £
Cost	
At 1 January 2013	23,682
Additions	-
At 31 December 2013	<u>23,682</u>
Depreciation	
At 1 January 2013	16,630
Charge for the year	2,896
At 31 December 2013	<u>19,526</u>
Net Book Value	
At 31 December 2013	<u>4,156</u>
At 31 December 2012	<u>7,052</u>

9. DEBTORS	2013 £	2012 £
Other debtors and prepayments	8,419	6,610
Accrued income	93,000	-
	<u>101,419</u>	<u>6,610</u>

The accrued income represents a residual legacy confirmed at the year end but was received in February 2014.

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

10. CREDITORS: amounts falling due within one year	2013	2012
	£	£
Trade creditors	1,257	2,802
Other taxes and Social Security	5,326	5,441
Accruals	8,220	7,920
Net wages	208	100
	<u>15,011</u>	<u>16,263</u>

11. FUNDS	Unrestricted	Restricted	2013	2012
	£	£	£	£
Balance at 1 January 2013	154,411	71,713	226,124	180,934
Net movement in funds	286,905	42,913	329,818	45,190
Balance at 31 December 2013	<u>441,316</u>	<u>114,626</u>	<u>555,942</u>	<u>226,124</u>
Represented by:				
Tangible fixed assets	4,156	-	4,156	7,052
Other net (liabilities)/assets	86,408	-	86,408	(9,653)
Cash	350,752	114,626	465,378	228,725
Total funds	<u>441,316</u>	<u>114,626</u>	<u>555,942</u>	<u>226,124</u>

12. RESTRICTED FUNDS	As at	Incoming	Resources	As at
	1 January	Resources	Expended	31 December
	2013	£	£	2013
	£			£
Donor Advised Grants Fund	57,997	573,050	(549,639)	81,408
Special Projects Fund	13,716	195,127	(175,625)	33,218
Balance at 31 December 2013	<u>71,713</u>	<u>768,177</u>	<u>(725,264)</u>	<u>114,626</u>

The Donor Advised grants represent funds where the donor stipulates the project to which the monies should be applied in Israel. Special Projects Fund represents funds received to implement specific one-off projects.

13. STATUS

The New Israel Fund is a registered charity constituted as a Company limited by guarantee, and does not have a share capital. The liability of each member is limited to £1.

14. OPERATING LEASE

Annual commitments payable in respect of operating lease analysed according to the expiry date on the lease:

	2013	2012
	£	£
Between two and five years	<u>2,998</u>	<u>2,998</u>

The lease commenced in December 2011 and is for a five year period.