

**NEW ISRAEL FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Registered Company Number: 03296825 (England and Wales)**  
**Registered Charity Number: 1060081**

**NEW ISRAEL FUND**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**NEW ISRAEL FUND**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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<b>Registered Office</b>	Unit 2 Bedford Mews London N2 9DF
<b>Registered Charity Number</b>	1060081
<b>Company Registration Number</b>	03296825
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R OQS
<b>Auditor</b>	haysmacintyre 26 Red Lion Square London WC1R 4AG
<b>Solicitors</b>	Berwin Leighton Paisner Adelaide House London Bridge London EC4R 9HA

## **NEW ISRAEL FUND**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **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 2016.

The financial statements are in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

#### **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 03296825). 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:

Clive Sheldon QC	Chair
Lord Beecham	Vice Chair
David Bernstein	
Lance Blackstone	
Julie Blane	
Paul Burger	
Sir Trevor Chinn CVO	
John Cohen	
Jane Grabiner	
Sam Grodzinski QC	
Daniel Levy	(Resigned 30 November 2016)
Martin Paisner CBE	(Appointed 7 September 2016)
Sarah Peters	
Dr Eli Silber	
Dr Juliet Stevens	
Noam Tamir	
Miles Webber	(Resigned 8 March 2017)

## **STRUCTURE, GOVERNANCE AND MANAGEMENT CONTINUED**

### **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.

### **Remuneration of Key Management Personnel**

The pay and remuneration of the charity's chief executive is set by the Chair of Trustees in consultation with other board members. From 2017, chief executive pay will be more closely aligned to the formal appraisal process which is led by the Chair and one other trustee.

### **Principal Risks and Uncertainties**

The trustees have identified four key risks and uncertainties and have put in place plans and strategies to manage these risks. The first risk is a lack of relevant skills and commitment by trustees. We have addressed this risk through the introduction of a governance subgroup, a planned board appraisal, an annual board strategy/training day and introduction of a sub-group structure that allows for non-trustee experts. The second risk relates to a lack of strategic planning which has been addressed through a more formal strategic planning and review process constituting both a three year strategy and annual work plans for the key areas of work – fundraising, programming, communications, governance and organisational development. The third risk relates to the risk of adverse publicity and poor external communications. We have developed our 'rapid response' capabilities working closely with our global partners. We have also conducted a messaging process to ensure our communications help shape a better understanding of our work and project a consistent, transparent and positive perception of NIF. Our wider work on positioning the organisation through partnerships also helps to manage risks. The fourth risk relates to the risk of losing donations and the related risk of poor donor management. The board has increased its focus on this risk through its fundraising sub-group and staff changes in 2016 were made in part to mitigate this risk. We have also increased the frequency and details of our fundraising and financial reporting to allow better monitoring. With respect to donor care we regularly review our approach in line with our strategic focus on major donors.

The Board 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 Board 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 2014, 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 democracy and equality in Israel. We are a partnership of Israelis and supporters of Israel worldwide, dedicated to a vision of Israel as both the Jewish homeland and a shared society at peace with itself and its neighbours. NIF supports leaders and activists working for civil and human rights for all.

## **NIF's Work in Israel and the UK**

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 (see below). 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.

Since our inception, NIF UK has provided over £25 million to hundreds of cutting-edge not-for-profit organisations in Israel. We also support NIF Israel's action arm Shatil which provides Israel's social change community with hands-on assistance. In 2016 alone, Shatil assisted 225 organisations. In addition, NIF/Shatil builds coalitions, empowers activists, and takes the initiative in spearheading national advocacy campaigns. NIF's work in Israel focuses on five key issue areas:

- Shared Society and Combating Racism
- Human Rights and Democracy
- Social and Economic Justice
- Palestinian-Israeli Society
- Religious Freedom

Moreover, since 2014 NIF has been leading a major initiative to strengthen the voices of democracy in Israel.

## **SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL**

2016 was a year of dramatic events in Israel, as well as globally, with many aspects of NIF's work in Israel being 'in the eye of the storm'. *B'Tselem's* video of the soldier Elor Azaria shooting a subdued Palestinian terrorist triggered a national debate about morality, the Occupation and the IDF. Our support of Jewish and Arab residents of Haifa who worked together to respond to the fires which spread across the country stood in stark contrast to the racism, incitement and false accusations made at the time. And our support for the Jerusalem Pride Parade helped the organisers mark the first anniversary of the murder of young Shira Banki by attracting 25,000 people to the Parade, many drawn from the religious community.

With this and despite the challenging environment, we can be proud both of our successes in the past year and of how NIF's position in Israel society has been strengthened through emphasising our positive vision.

The following is a selection of highlights from NIF's core programmes in 2016. They are presented according to our issue areas.

### **Safeguarding Human Rights and Democracy**

NIF works to strengthen democracy in Israel through a two-pronged approach: fighting to block trends that threaten democracy, and developing mechanisms and processes for public inclusion, civil involvement, and transparency.

Shatil's *Centre for Policy Change* and the *Association for Civil Rights in Israel (ACRI)* are at the forefront of the **work protecting democracy**. The impact of their work is best seen in the softening of anti-democratic voices and the range of voices that have begun speaking up for democratic norms.

Our work on **freedom of expression** was a priority this year. Shatil established the *Forum for Freedom of Speech and Protest* to bring together human rights, transparency and other social change organisations. Over 100 activists from 50

organisations benefitted from the forum's training sessions and Shatil's Pocket Guide for Protesting Rights has been downloaded 4,000 times.

The human rights groups we support, most notably *B'Tselem* and *Breaking the Silence*, successfully leveraged the focus (which at times is hostile) on them to create opportunities to broaden their education work around **the Occupation and human rights**. On the ground in **East Jerusalem**, NIF-supported groups worked to improve infrastructure, education and housing for Palestinians. Successes included achieving an improved allocation of municipal resources for education.

2016 brought a significant success for the rights of **refugees and asylum seekers**. Following seven years of legal appeals, Mutasim Ali – a leader of the refugee community - became the first Sudanese asylum seeker to obtain refugee status in Israel. Ali was aided by *Hotline for Refugees and Migrants*.

## Social and Economic Justice

NIF works to narrow social and economic gaps in Israel through empowering impoverished communities around the country to improve their living standards, most notably in **housing**.

We saw significant strides forward in 2016. The *Forum for Public Housing's* advocacy led to a pledge by the housing minister to add 2,600 new housing units. The Forum also helped achieved better protections and housing conditions through the passing of new regulations on transparency and tenancy rights. NIF also supported clinics and legal centres providing housing advice in areas of disadvantage.

NIF also addresses the specific socio-economic needs of minority communities. Our support of the **Ethiopian-Israeli community** includes the *Israeli Association for Ethiopian Jews's* work for elderly immigrants in dilapidated absorption centres, and Shatil's *emerging leaders* training. In May 2016 Shatil's new training programme in Ramle helped address the lack of education and employment opportunities for young people. Another group NIF works with are single mothers from the **Haredi community**.

2016 also brought a major victory for our work on **access to health**. The Arab-Jewish *Citizens Forum for the Promotion of Health in the Galilee* was publicly acknowledged for its role in securing a NIS 930 million government allocation to improve health services in the north of Israel.

## Shared Society and Combating Racism

NIF believes that Israel must evolve to become a truly shared society in which the power and significance of each community is interdependent and in which national institutions reflect the civil rights of every citizen. We are proud of the lead we take in forging the path to a true shared society. Our work programme is focused on combating racism and creating shared public spaces for Jews and Arabs at the national and local levels.

The *Tag Meir Forum* continues to be the leading Jewish voice **countering hate crimes**. Its persistence is paying off as 'Price Tag' hate crimes almost came to a halt in 2016. We are also seeing continued reductions in racism in football stadium's thanks to the work of *Kick It Out Israel*. *Kick It Out* also launched in 2016 a special call for proposals for grassroots initiatives. The first seven winners were presented their grants before 30,000 at the State Cup semi-finals in April. Our work on *Education for Shared Living* also made great strides with the publication of a toolkit for educators which was downloaded over 2,000 times.

Promoting the **media as a shared space** was a focus in 2016 and *Sikkuy's* targeted intervention more than doubled the percentage of Arab voices on news programmes. On the regional/local level our shared spaces work included the launch of the *Givat Haviva* initiative to encourage economic cooperation between neighbouring Jewish and Arab municipalities. We also supported, through our small grants pool, **local initiatives** such as a shared tourism project in Haifa.

Shatil also continues to invest in **leadership development**. Our second *Leadership for Shared Society* course received over 200 applicants and our successful pilot *Lowering the Walls* course in Jerusalem was followed up with a second cohort with 25 participants who all hold key positions in the city.

## Freedom of Religion

NIF works to advance freedom of and freedom from religion by eroding religious monopolies and by strengthening moderate religious voices.

The sphere of **women's rights** saw major advances during the year. *Mavoi Satum* gained recognition of a halachic get (divorce decree) administered by an independent rabbinical court. Work on increasing female membership of local religious councils resulted by the end of 2016 in an increase to nearly 20% (from less than 5% two years previous).

## **Palestinian Society**

NIF seeks to promote equality for Arab citizens of Israel as well as expand their participation in Israeli society. Our work ranges from **land and planning** issues to advancing the **status of Arab women**.

*The Arab Centre for Alternative Planning, Injaz, Sikkuy and Mossawa* are all actively engaging to ensure the implementation of the historic government decision mandating significant increases in funding to Palestinian society. It follows years of work by these organisations highlighting the budget disparities. NIF also continues its programme of promoting land and planning rights for Arab citizens in the Negev. *Bimkom: Planners for Human Rights* achieved some incremental progress in achieving recognition for Bedouin villages.

In summer 2016, NIF committed to a major investment in initiatives looking to advance the status of women from within Arab society through pursuing higher education, developing economic opportunities and preventing violence.

## **New Initiatives for Democracy**

We continue to implement NIF's New Initiatives for Democracy (NIF-D) with the aim to "build up" infrastructure that can help change the discourse in Israel, and to "reach out" and expand the progressive camp to engage sectors that share some of our goals and values.

*Zazim* is an **online campaign community** for social and political change. Incubated by NIF, it came online in 2016 and scored a number of notable achievements including calling attention to Jewish-Arab segregation in hospital maternity wards. *The Council for Peace and Security (CPS)* is at the core of **security** work. *CPS* is comprised of hundreds of former senior Israeli security officials and it works to educate the Israeli public. In January 2016 it launched an education programme for Haredi leaders.

KIACH's work educating about the **moderate Jewish voice from the Mizrahi tradition** was amplified in 2016 through extending its Daily Sage project and a series of public activities including a Lag Ba'omer event in Jerusalem. Through the work of *Morashteinu*, we reached over 20% of the **Russian-speaking population** with their RelevantInfo initiative which brings pluralistic voices into the discourse.

## **UK ACHIEVEMENTS AND PERFORMANCE IN 2016**

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.

2016 was a record year for NIF in our fundraising and in the reach of our activities.

### **Fundraising**

With £1.97m raised, 2016 represents our record fundraising year and an increase on 2015 of £390k (19.7%). This growth was driven by increased giving by existing supporters, some large first time gifts and our most successful Human Rights Awards Dinner ever. We also achieved a 5% growth in the number of donors, following on from a similar growth in 2015.

These record amounts allowed us to make grants totalling £1.51m (2015: £1.05m) to projects in Israel.

### **Educational Activities and Activities**

In 2016 we reached over 4,850 (2015: 3,700) people through our 85 events and speaking opportunities. Highlights included our Security Conference, our Human Rights Awards Dinner and the events around the global NIF leadership meeting in London. The Security Conference in March (in partnership with Yachad) showcased NIF's work on security issues in Israel with input from grantees including *Mitivim* and the *Peace and Security Association* and from NIF International President, Talia Sasson. In June, we hosted for the first time the global NIF leadership meeting. It presented us with the opportunity to engage the UK community with NIF's leadership which was done through a series of 12 concurrent dinners, a reception and talks at synagogues.

We also increased our partnership working in the Jewish community through new partnerships e.g. with Gefiltefest (the Jewish food festival) and deepening our work with existing partners including Limmud and UK Jewish Film. Our general programming continued with a series of meetings and public events to which we brought Israeli speakers addressing cutting-edge issues.



Our New Gen activities targeted at the young adult community spanned speaker meetings to our Activism Fellowship. The second Fellowship cohort spent 10 days in Israel learning about social change, following which they began delivering a range of educational projects back in the UK.

NIF continues to play a leading role in the UK Task Force on Issues Relating to Arab Citizens of Israel, sitting on its executive and working with our partners to deepen UK Jewish involvement and understanding of the challenges facing this population group.

## **Leadership and Strategy**

2016 saw the implementation of our new organisational strategy with a greater focus on our core fundraising activities. This necessitated a number of changes to the staff team.

We were delighted to appoint Marin Paisner CBE to the Board and we thank Daniel Levy who stepped down during the year. The Board undertook a review of its structures and introduced a number of subcommittees during the year to allow it to better lead the organisation.

## **FINANCIAL OUTCOME FOR THE YEAR**

With income of £2.01m in 2016 compared with £1.58m in 2015, and expenditure of £2.04m (2015: £1.5m), NIF had a deficit of £32k (2015: surplus of £81k). Charitable expenditure was £1.9m (2015: £1.38m). Our grants payable of £1.51m (2015:£1.05m) enabled NIF UK to support over 125 grantees and programmes in Israel that are of particular interest to the UK community. The costs of generating funds were £141k (2015: £118k).

## **Reserves Policy**

The Board's reserves policy is to maintain a minimum level of six months' operating costs in light of the predominant risks to the organisation, specifically a fall in income. The minimum reserve goal for 2017 has been set at £180,000. At the end of 2016, total reserves were £438,063 of which £237,672 was restricted and £200,391 unrestricted. We anticipate spending out all of these restricted funds and unrestricted funds over and above our reserve target in 2017.

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.

## **Plans for the future**

The Board do not anticipate any substantial changes to the objectives and activities of New Israel Fund in the coming period. We plan to continue our fundraising and education work. We have set an ambition to grow fundraising over the next two years and to ensure these higher levels of fundraising are sustained. We intend to achieve higher levels of fundraising through a greater focus on major donor and trust and foundation fundraising, including a greater focus of our activities on this target group. We intend to achieve this growth with the current levels of staffing and do not plan to make any significant increases in our cost base, including staff numbers, in 2017 or 2018.

## **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.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and the application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the Trustees are required to:

- select the most 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; 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**RELEVANT AUDIT INFORMATION**

Insofar 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 the steps that they ought to have taken to make themselves aware of the relevant audit information and to establish that the auditor is aware of that information.

**AUDITORS**

haysmacintyre were re-appointed as auditors at the 2016 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 ..... 2017 and signed on its behalf by:

.....  
Clive Sheldon QC  
Chairman

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NEW ISRAEL FUND

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We have audited the financial statements of New Israel Fund for the year ended 31 December 2016 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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2016 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.

The Directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors 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:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Trustees' Report or from preparing the Strategic Report.

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

**26 Red Lion Square**  
**London**  
**WC1R 4AG**

.....2017

haysmacintyre is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

**NEW ISRAEL FUND**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>INCOME AND EXPENDITURE</b>	<b>Notes</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
<b>Income from:</b>					
Donations and legacies	2	639,669	1,330,638	1,970,307	1,576,305
Investments	4	298	-	298	474
Other Income- forex gain		35,458	-	35,458	-
<b>Total income</b>		<u>675,425</u>	<u>1,330,638</u>	<u>2,006,063</u>	<u>1,576,779</u>
<b>Expenditure on:</b>					
Raising funds	6	140,614	-	140,614	117,684
Charitable activities:					
.Israel Projects	5	195,547	1,331,382	1,526,929	1,066,388
.UK Programme	6	370,527	-	370,527	311,944
		<u>566,074</u>	<u>1,331,382</u>	<u>1,897,456</u>	<u>1,378,332</u>
<b>Total expenditure</b>		<u>706,688</u>	<u>1,331,382</u>	<u>2,038,070</u>	<u>1,496,016</u>
<b>Net movement in funds</b>		(31,263)	(744)	(32,007)	80,763
Fund balances brought forward at 1 January 2016		<u>231,654</u>	<u>238,416</u>	<u>470,070</u>	<u>389,307</u>
<b>Fund balances carried forward at 31 December 2016</b>		<u><u>200,391</u></u>	<u><u>237,672</u></u>	<u><u>438,063</u></u>	<u><u>470,070</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 2016

	Notes	2016		2015	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		3,274		2,270
<b>CURRENT ASSETS</b>					
Debtors	9	14,300		12,558	
Cash at bank and in hand		617,884		475,151	
		<u>632,184</u>		<u>487,709</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	<u>(197,395)</u>		<u>(19,909)</u>	
<b>NET CURRENT ASSETS</b>			<u>434,789</u>		<u>467,800</u>
<b>NET ASSETS</b>			<u>438,063</u>		<u>470,070</u>
Unrestricted funds	11		200,391		231,654
Restricted funds	12		237,672		238,416
			<u>438,063</u>		<u>470,070</u>

The financial statements were approved and authorised for issue by the trustees on ..... 2017 and signed on their behalf by:

.....  
Clive Sheldon QC  
Chairman

The accompanying notes on pages 13 to 18 form part of these financial statements.

**NEW ISRAEL FUND**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016		2015	
	£	£	£	£
<b>Cash flows from operating activities:</b>				
<i>Net cash provided by (used in) operating activities</i>		109,719		64,766
<b>Cash flows from investing activities:</b>				
Interest from investments	298		474	
Purchase of property, plant and equipment	(2,742)		(1,869)	
<i>Net cash provided by (used) in investing activities</i>		(2,444)		(1,395)
<b>Change in cash and cash equivalents in the reporting Period</b>		107,275		63,371
<b>Forex gain</b>		35,458		-
<b>Cash and cash equivalents at the beginning of the reporting period</b>		475,151		411,780
<b>Cash and cash equivalents at the end of the reporting period</b>		617,884		475,151

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2016	2015
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(32,007)	80,763
<b>Adjustments for:</b>		
Forex	(35,438)	-
Depreciation charges	1,738	1,667
Interest from investments	(298)	(474)
(Increase)/decrease in debtors	(1,742)	(9,783)
(Decrease)/increase in creditors	177,486	(7,407)
<b>Net cash provided by/(used) in investing activities</b>	109,719	64,766

**Analysis of cash and cash equivalents**

	2016	2015
	£	£
Cash in hand	617,884	475,151
<b>Total cash and cash equivalents</b>	617,884	475,151

## NEW ISRAEL FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. ACCOUNTING POLICIES

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – (Charities SORP FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### **Going Concern**

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern.

##### **Incoming resources**

Donations and legacies are recognised when the charity is legally entitled to the income, receipt is probable 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 statement of financial activities 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.

##### **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.

## NEW ISRAEL FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. ACCOUNTING POLICIES (continued)

##### 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

##### Debtors

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 at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### Creditors and provisions

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

#### 2. DONATIONS AND LEGACIES

	2016 £	2015 £
Individual donors	664,422	268,410
Trusts and Corporate donors	1,305,885	1,307,895
	<u>1,970,307</u>	<u>1,576,305</u>



**NEW ISRAEL FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>3. NET INCOME FOR THE YEAR</b>			<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
The net income for the year is stated after charging:				
Depreciation			1,738	1,667
Auditor's remuneration:				
Audit			7,200	7,000
Other			500	500
Operating lease pa charge			14,000	14,127
			<u>          </u>	<u>          </u>
<b>4. INCOME FROM INVESTMENTS</b>			<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
Bank interest receivable			298	474
			<u>          </u>	<u>          </u>
<b>5. ISRAEL PROJECTS EXPENDITURE</b>			<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
<b>Grants:</b>				
Shared Society			340,906	200,926
Human Rights and Democracy			618,231	349,795
Religious Freedom			38,471	41,530
Social and Economic Justice			428,227	417,269
Israeli-Arab Society			79,306	36,966
			<u>          </u>	<u>          </u>
<b>Total grants payable</b>			1,505,141	1,046,486
<b>Grant support costs</b>			21,788	19,902
			<u>          </u>	<u>          </u>
			<u>1,526,929</u>	<u>1,066,388</u>
<b>6. ANALYSIS OF TOTAL RESOURCES EXPENDED</b>				
	<b>Direct</b>	<b>Allocated</b>	<b>2016</b>	<b>2015</b>
	<b>Costs</b>	<b>Costs</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Raising funds</b>	16,647	117,185	140,615	117,684
<b>Charitable activities:</b>				
Israel Projects	1,505,141	21,788	1,526,929	1,066,388
UK Programme	188,273	182,254	370,527	311,944
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>1,710,061</u>	<u>328,010</u>	<u>2,038,071</u>	<u>1,496,016</u>

**NEW ISRAEL FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>7. STAFF COSTS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	223,938	192,171
Social security costs	19,629	14,716
Pension costs	-	-
	<u>243,567</u>	<u>206,887</u>

Staff costs of £9,121 (2015: £5,779) are charged to Israel Projects, £141,722 (2015: £136,582) to UK Programme and £92,724 (2015: £64,526) to costs of generating funds.

The average monthly number of employees engaged in the activities of the Charity during the year was 6 (2015: 6). One employee had emoluments (including benefits in kind) between £70,001 and £80,000 in the year (2015: one between £70,001 and £80,000).

<b>8. TANGIBLE FIXED ASSETS</b>	<b>Computers and equipment</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2016	11,156
Additions	2,742
Disposal	-
At 31 December 2016	<u>13,898</u>
<b>Depreciation</b>	
At 1 January 2016	8,886
Charge for the year	1,738
Disposal	-
At 31 December 2016	<u>10,624</u>
<b>Net Book Value</b>	
At 31 December 2016	<u>3,274</u>
At 31 December 2015	<u>2,270</u>

<b>9. DEBTORS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other debtors and prepayments	<u>14,300</u>	<u>12,558</u>

**NEW ISRAEL FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>10. CREDITORS: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,607	5,967
Other taxes and social security	5,838	5,247
Accruals & Deferred Income	186,893	8,489
Net wages (expenses)	1,057	206
	<u>197,395</u>	<u>19,909</u>

Deferred Income totalled £179,693 (2015: £nil) and relates to donations where, due to specific time restrictions, no entitlement to the income was met at the year end. £174,693 relates to a donation from Amberstone Trust, a Trust with a common trustee.

<b>11. FUNDS</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January 2016	231,654	238,416	470,070	389,307
Net movement in funds	(31,263)	11,048	(32,007)	80,763
<b>Balance at 31 December 2016</b>	<u>200,391</u>	<u>249,464</u>	<u>438,063</u>	<u>470,070</u>
<b>Represented by:</b>				
Tangible fixed assets	3,274	-	3,274	2,270
Debtors	14,300	-	14,300	12,558
Cash	202,736	415,148	617,884	475,151
Creditors	(19,919)	(177,476)	(197,395)	(19,909)
Total funds	<u>200,391</u>	<u>237,672</u>	<u>438,063</u>	<u>470,070</u>

<b>12. RESTRICTED FUNDS</b>	<b>As at 1 January 2016</b>	<b>Income</b>	<b>Expenditure</b>	<b>As at 31 December 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donor Advised Grants Fund	208,416	1,043,509	(1,014,253)	237,672
Special Projects Fund	30,000	287,129	(317,129)	-
<b>Balance at 31 December 2016</b>	<u>238,416</u>	<u>1,330,638</u>	<u>(1,331,382)</u>	<u>237,672</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 LEASES**

A 5 year operating lease in respect of Land and buildings was entered into on November 2015. At the end of the year total commitments' payable were:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts due:		
Within one year	14,000	14,000
Between two and five years	42,583	56,583
	<u>56,583</u>	<u>70,583</u>

**NEW ISRAEL FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**15. RELATED PARTIES**

Total remuneration of key management personnel for the year was £79,828 (2015: £70,701).

None of the Trustees received any emoluments during the year (2015 - none). No expenses were reimbursed to Trustees while on the charity's business during the year (2015 - none). Trustee indemnity insurance paid in the year was £1,051 (2015: £1,066).

Total Donations received from trustees, including those Trusts and Foundations where the trustees can be considered to have significant influence on the donations was £264,387 (2015: £139,896).

**16 FINANCIAL INSTRUMENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost (a)	3,661	4,451
Financial liabilities measured at amortised cost (b)	(191,557)	(14,662)
Net financial assets/(liabilities) measured at amortised cost	<u>(187,896)</u>	<u>(10,211)</u>

- a) Financial assets include cash, trade and other debtors but excludes prepayments.  
 b) Financial liabilities include trade and other creditors but excludes, social security and other taxes.

**17 ACTIVITIES BY FUND IN THE PREVIOUS YEAR**

<b>INCOME AND EXPENDITURE</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total funds 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>			
Donations and legacies	496,480	1,079,825	1,576,305
Investments	474	-	474
<b>Total income</b>	<u>496,954</u>	<u>1,079,825</u>	<u>1,576,779</u>
<b>Expenditure on:</b>			
Raising funds	117,684	-	117,684
Charitable activities:			
. Israel Projects	220,158	846,230	1,066,388
. UK Programme	311,944	-	311,944
	<u>532,102</u>	<u>846,230</u>	<u>1,378,332</u>
<b>Total resources expended</b>	<u>649,786</u>	<u>846,230</u>	<u>1,496,016</u>
<b>Net movement in funds</b>	(152,832)	233,595	80,763
Fund balances brought forward at 1 January 2015	<u>384,486</u>	<u>4,821</u>	<u>389,307</u>
<b>Fund balances carried forward at 31 December 2015</b>	<u>231,654</u>	<u>238,416</u>	<u>470,070</u>