

NEW ISRAEL FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

NEW ISRAEL FUND

FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS	Pages
Reference and administrative information	1
Trustees' report	2
Independent auditor's report	9
Statement of Financial Activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13-20

NEW ISRAEL FUND

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

Registered Office	Unit 2 Bedford Mews London N2 9DF
Registered Charity Number	1060081
Company Registration Number	03296825
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Solicitors	Berwin Leighton Paisner Adelaide House London Bridge London EC4R 9HA

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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	
Lance Blackstone	
Julie Blane	
Paul Burger	
Sir Trevor Chinn CVO	
John Cohen	
Jane Grabiner	
Sam Grodzinski QC	
Martin Paisner CBE	
Sarah Peters	
Dr Eli Silber	
Dr Juliet Stevens	
Noam Tamir	

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 including the Trustee Terms of Reference, 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 proposed by the Board Remuneration Committee and approved by the Board of Trustees, following the chief executive's formal appraisal.

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 by conducting a detailed governance review in 2018 and through a board appraisal. This is resulting in the establishment of a detailed

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

board committee structure, trustee training and formalised processes for board recruitment. The committee structure allows for non-trustees to advise and support our work more effectively. The second risk relates to a lack of strategic planning which has been addressed through a more formal strategic planning process. The Board has approved a 3-year strategy plan for 2019-2021 and annual work plans with measurable objectives for the key areas of work have been prepared. The third risk relates to the risk of adverse publicity and poor external communications. This risk is being managed by improving the quality and frequency of our communications and by work to better position New Israel Fund within its target communities. 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 committee and staff changes and training. 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. We used the implementation of the General Data Protection Regulations in 2018 to review our approach to help address the last two of these risks.

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 updated the risk register in February 2019 and the Finance Committee plans a further review by early 2020. 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. Further information on the public benefit delivered during the year is included in the achievements and performance section of this report.

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.

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Since our inception, NIF UK has provided over £30 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 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 called 'New Initiatives for Democracy' to strengthen the voices of democracy in Israel through incubating new projects and educational programmes reaching across society.

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL IN 2018

Throughout 2018, we have been inspired by the tens of thousands of Israelis, and our supporters here in the UK, who have taken a collective stand for the values of democracy, equality and justice. We have shown repeatedly that watershed moments, where the impact and scope of our work takes a decisive step forward, can emerge in the wake of democratic instability.

Our bottom-up, grassroots strategy allied with our legal and policy work for building a just and equal society is working. From public activities to legal activism to dynamic online campaigns, Israelis who care deeply about the future of their country are reaffirming their commitment to a just, equal and inclusive Israeli society. At the same time, grassroots civil society organisations working tirelessly for women's rights, for religious freedom, for economic justice and for minority rights are growing in strength and demonstrating that positive social change is possible.

It allows us to continue our work on the ground in Israel, generating positive change whatever the political or social climate. Our annual review and website provide a detailed overview of our work and achievements in 2018. Some highlights include:

- NIF and our partners mobilised tens of thousands of people from across Israeli society to stand up for democracy and equality in response to the Nation State Law. The NIF community held "The World's Largest Arabic Lesson" in Tel Aviv's Habima Square following the passing of the Law. Thousands of Israelis gathered together to learn Arabic and hear performances by Arab and Jewish musicians.
- After years of tireless advocacy by the Shatil-led Public Housing Forum the government announced a public housing plan that will make 7,200 apartments available every year for the next decade to house Israel's most economically vulnerable citizens, many of whom are single mothers. This was a huge success for our decades long work to ensure safe, accessible and affordable housing to all individuals and families in need, without exception. Specifically addressing the needs of Israel's Arab citizens our grantee ACAP, has gained fast-track designation for tracts of land for new housing in 20 Arab towns including the approval of 5,000 housing units in Um El Fahm.
- NIF and our partners led the campaign to prevent the planned deportation of 38,000 African asylum seekers from Israel. Through protests and petitions, journalism and media engagement, coalition building and awareness raising, we helped mobilise the Israeli public to speak out against the policy and to pressure the government to reverse it. The tens of thousands of people who stood with us at this critical moment sent a powerful message of support to all minority communities in Israel facing discrimination and inequality. Our partner organisations, including the Hotline for Refugees and Migrants and ASSAF; Aid Organization for Refugees and Migrants, worked tirelessly to provide

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

vital resources, legal aid and psychological support for asylum seekers facing the repercussions of the policy. After weeks of campaigning, the government announced its decision to halt the deportation plans with immediate effect.

- NIF works to ensure the basic needs of Israel's most disadvantaged are addressed and their voices are heard. To this end, in 2018, after years of advocacy, our grantee Adalah succeeded in persuading the government to connect a number of Bedouin communities in the Negev to the power grid.
- NIF is proud to support Israeli organisations that document and publicise human rights violations against Palestinians, in order to increase criminal accountability and keep the occupation in the public discourse. This year, our grantee B'Tselem released a major new report revealing violations of the rights of detained Palestinian minors in military courts.
- NIF continues to support ground-breaking and effective shared society initiatives that are promoting shared spaces between Israel's Jewish and Arab citizens at the local, regional and national level. Shatil's "Lowering the Walls" training programme in Jerusalem brings together Jewish and Arab civic, business, government and NGOs leaders. Its third cohort, in 2018 initiated scores on new initiatives including teaching technology to Jewish and Arab kids.
- NIF is also proud to strengthen the response to racism in Israel. Our 'Kick It Out' Campaign, which uses public events and campaigns to fight racism and discrimination in football, has achieved above and beyond our expectations. In 2018, not a single case of organised racist chanting was documented by fans of Beitar Jerusalem, a record hailed as a significant 'breakthrough.' This year Kick It Out also brought together hundreds of Jewish and Palestinian children for an unprecedented football match in a powerful stand against racism and intolerance.
- In standing up for women's rights including in the workplace, we supported the Israel Women's Network to set up a support hotline to for women facing discrimination. Their activism has prompted the IDF Chief Rabbi to state that military rabbis who refuse to follow policies that protect women's positions will be fired. Also following a legal case brought by NIF grantee Kolech: Religious Women's Forum, the ultra-Orthodox Kol BaRama radio station to pay NIS 1 million (£210,000) in damages for barring women from speaking on the air. This was a significant victory in the campaign to increase women's visibility in public spaces.
- NIF doesn't only work at the grassroots level; we work to change attitudes at the political and academic level too. Through our work with *Mitvim: The Israeli Institute for Regional Foreign Policies* and *The Forum for Regional Thinking*, we are making inroads in both politicians' and the public's understanding of Israel's place in a changing Middle East, encouraging new dialogues and fostering alliances. *Zazim – Community Action* the online organising platform that NIF incubate has more than 100,000 members who have campaigned on issues ranging from adoption to asylum seekers to Gaza.

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

UK ACHIEVEMENTS AND PERFORMANCE IN 2018

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.

2018 was a record year for NIF in our fundraising and in the reach of our activities.

Fundraising

With £3.85 million raised, 2018 represents our record fundraising year and an increase on 2017 of £2.76 million (39% increase) and on 2016 of £1.97 million (95% increase). This growth was driven by increased giving by existing supporters, some large first time gifts and our most successful Human Rights Awards Dinner ever.

These record amounts allowed us to make grants totalling £2.8m (2017: £2.4m, 2016: £1.5m) to projects in Israel.

Educational Activities

During 2018 we increased our programming reach to over 4,800 people through our 67 events and speaking opportunities.

Our flagship event, the Human Rights Awards Dinner, enjoyed record-breaking growth, with almost 550 people attending and a phenomenal £575,000 raised on the night. Our two award winners: the coalition of organisations supporting Asylum Seekers and Sikkuy, an organisation that works towards equality between Jewish and Arab citizens of Israel, reflect the scope of New Israel Fund's work in Israel. We were pleased to offer nine different events with Winners during their visit to London.

Our general programming was organised around two 'mini-seasons'. The first was a celebration of Israel 70 which included a day conference. The second season explored Freedom of Expression and Democracy. It included our first 'Dissenting Voices' evening of Ted-talk style presentations. To complement our own programme and broaden the reach of our education we continue to partner with others. We joined with UK Jewish Film and Seret to screen some of Israel's biggest films as a way to explore our issues. We also worked with CCJ, the Council for Christians and Jews, Limmud and various synagogues. We were also delighted by the impact of our first ever UK study tour to Israel in March. Twenty of our supporters took part in this intensive three-day trip.

New Gen is our community of young adults and social activists coming together to support democracy, equality and justice in Israel. In 2018 we held double the number of New Gen events compared to 2017, and reached more young people than ever before. The New Israel Fund Fellowship has gone from strength to strength, with the 2018/2019 cohort comprising four young leaders who joined Fellows from Australia, the US and Canada for an intensive eight-day study tour in Israel. Returning to the UK, the Fellows receive training which they are putting to good use as NIF ambassadors.

Leadership and Strategy

In 2018 we completed our governance review and undertook a strategic planning process. The new strategy is being implemented from January 2019. We also anticipate a number of changes to our trustee body during the year following the governance review. We had a settled trustee body during 2018 in anticipation of future changes

FINANCIAL OUTCOME FOR THE YEAR

With income of £3.88m in 2018 (2017: £2.76m) and expenditure of £3.35m (2017: £2.88m), NIF had a surplus of £532k (2017: deficit of £120k). Charitable expenditure was £3.18m (2017: £2.71m). Our grants payable of £2.78 (2017: £2.38m) enabled NIF UK to support over 125 grantees and programmes in Israel. The costs of generating funds were £167k (2017: £170k).

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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 unrestricted reserve goal for 2019 has been set at £185,000. At the end of 2018, total reserves were £849k of which £359k was restricted and £490k unrestricted. Of unrestricted funds £100,000 has been designated by trustees to projects that will complete in 2019. We anticipate spending out all of these restricted funds and unrestricted funds over and above our reserve target in 2019. The 2018 income figures include £318,000 of pledged income recognised in the year in relation to multi-year grants.

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 continue to grow our fundraising over the next period. We have planned an ambitious programme of educational activities for 2019. To help achieve our plans, the board has decided to fund a small increase in staffing and other costs from 2019.

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

This report was approved by the Board of Trustees on 2019 and signed on its behalf by:

.....
Clive Sheldon QC
Chairman

Opinion

We have audited the financial statements of New Israel Fund for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of audit report

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

Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP 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 2018

INCOME AND EXPENDITURE	Notes	Unrestricted Funds £	Restricted Funds £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	839,724	3,008,185	3,847,909	2,759,525
Investments	4	449	-	449	222
Other Income- forex gain		29,113	-	29,113	-
Total income		<u>869,286</u>	<u>3,008,185</u>	<u>3,877,471</u>	<u>2,759,747</u>
Expenditure on:					
Raising funds	6	167,428	-	167,428	170,221
Charitable activities:					
.Israel Projects	5	19,792	2,789,642	2,809,434	2,410,249
.UK Programme	6	369,052	-	369,052	299,666
		<u>388,844</u>	<u>2,789,642</u>	<u>3,178,486</u>	<u>2,709,915</u>
Total expenditure		<u>556,272</u>	<u>2,789,642</u>	<u>3,345,915</u>	<u>2,880,136</u>
Net income/(expenditure)		313,014	218,543	531,557	(120,289)
Transfer between funds		(46,166)	46,166	-	-
Net movement in funds		266,848	264,709	531,557	(120,389)
Fund balances brought forward at 1 January 2017		223,551	94,123	317,674	438,063
Fund balances carried forward at 31 December 2018		<u>490,399</u>	<u>358,832</u>	<u>849,231</u>	<u>317,674</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 2018

	Notes	£	2018	£	£	2017	£
FIXED ASSETS							
Tangible assets	8			8,324			11,561
CURRENT ASSETS							
Debtors	9	388,532			5,567		
Cash at bank and in hand		518,206			332,202		
				<u>906,738</u>		<u>337,769</u>	
CREDITORS: amounts falling due within one year	10	(65,831)			(31,656)		
						<u>306,113</u>	
NET CURRENT ASSETS				840,907			306,113
NET ASSETS				<u>849,231</u>			<u>317,674</u>
Unrestricted funds	11			390,399			223,551
Designated funds	11			100,000			-
Restricted funds	12			358,832			94,123
				<u>849,231</u>			<u>317,674</u>

The financial statements were approved and authorised for issue by the trustees on 2019 and signed on their behalf by:

.....
Clive Sheldon QC
Chairman

The accompanying notes on pages 14 to 20 form part of these financial statements.

NEW ISRAEL FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
Cash flows from operating activities:				
<i>Net cash provided by (used in) operating activities</i>		159,027		(273,267)
Cash flows from investing activities:				
Interest from investments	449		222	
Purchase of property, plant and equipment	(2,585)		(12,637)	
<i>Net cash provided by (used) in investing activities</i>		<u>(2,136)</u>		<u>(12,415)</u>
Change in cash and cash equivalents in the reporting Period		156,891		(285,682)
Forex gain		29,113		
Cash and cash equivalents at the beginning of the reporting period		<u>332,202</u>		<u>617,884</u>
Cash and cash equivalents at the end of the reporting Period		<u><u>518,206</u></u>		<u><u>332,202</u></u>

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

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	531,556	(120,389)
Adjustments for:		
Forex	(29,113)	-
Depreciation charges	5,821	4,350
Interest from investments	(449)	(222)
(Increase)/decrease in debtors	(382,964)	8,733
(Decrease)/increase in creditors	34,176	(165,739)
Net cash provided by/(used) in investing activities	<u>159,027</u>	<u>(273,267)</u>

Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	518,206	332,202
Total cash and cash equivalents	<u><u>518,206</u></u>	<u><u>332,202</u></u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 operates auto-enrolment of staff once they have completed 3 months of employment.

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 2018

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

	2018	2017
	£	£
Individual donors	769,138	633,392
Trusts and Corporate donors	3,078,771	2,126,133
	<u>3,847,909</u>	<u>2,759,525</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

3.	NET INCOME FOR THE YEAR		2018		2017
			£		£
	The net income for the year is stated after charging:				
	Depreciation		5,821		4,350
	Auditor's remuneration:				
	Audit		7,700		7,400
	Other		1,050		1,000
	Operating lease pa charge		14,914		14,325
			<u> </u>		<u> </u>
4.	INCOME FROM INVESTMENTS		2018		2017
			£		£
	Bank interest receivable		449		222
			<u> </u>		<u> </u>
5.	ISRAEL PROJECTS EXPENDITURE		2018		2017
			£		£
	Grants:				
	Shared Society		1,385,938		1,253,328
	Human Rights and Democracy		855,449		448,304
	Religious Freedom		26,663		44,694
	Social and Economic Justice		479,661		572,461
	Israeli-Arab Society		29,719		18,543
			<u> </u>		<u> </u>
	Total grants payable		2,777,430		2,377,330
	Grant support costs		32,004		32,919
			<u> </u>		<u> </u>
			<u>2,809,434</u>		<u>2,410,249</u>
6.	ANALYSIS OF TOTAL RESOURCES EXPENDED				
		Direct	Allocated	2018	2017
		Costs	Costs	Total	Total
		£	£	£	£
	Raising funds	47,425	120,003	167,428	170,221
	Charitable activities:				
	Israel Projects	2,777,430	32,004	2,809,434	2,410,249
	UK Programme	174,757	194,296	369,053	299,666
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		<u>2,999,612</u>	<u>346,303</u>	<u>3,345,915</u>	<u>2,880,136</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. STAFF COSTS	2018	2017
	£	£
Wages and salaries	227,542	222,907
Social security costs	20,844	19,894
Pension costs	2,478	894
	<u>250,864</u>	<u>243,695</u>

Staff costs of £13,880 (2017: £16,576) are charged to Israel Projects, £146,614 (2017: £149,959) to UK Programme and £90,369 (2017: £77,160) to costs of generating funds.

The average monthly number of employees engaged in the activities of the Charity during the year was 7 (2017: 6). One employee had emoluments (including benefits in kind) between £70,001 and £80,000 in the year (2017: one between £70,001 and £80,000).

8. TANGIBLE FIXED ASSETS	Computers and equipment £
Cost	
At 1 January 2018	26,535
Additions	2,585
Disposal	(9,287)
At 31 December 2018	<u>19,833</u>
Depreciation	
At 1 January 2018	14,974
Charge for the year	5,822
Disposal	(9,287)
At 31 December 2018	<u>11,509</u>
Net Book Value	
At 31 December 2018	<u>8,324</u>
At 31 December 2017	<u>11,561</u>

9. DEBTORS	2018	2017
	£	£
Accrued income	383,050	-
Other debtors and prepayments	5,482	5,567
	<u>388,532</u>	<u>5,567</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

10. CREDITORS: amounts falling due within one year	2018 £	2017 £
Trade creditors	14,175	5,533
Other Creditors	11,744	-
Other taxes and social security	7,485	9,219
Accruals & Deferred Income (see below)	31,227	16,695
Net wages (expenses)	-	210
	<u>65,831</u>	<u>31,656</u>

Analysis of deferred income:

	2018 £	2017 £
Deferred income at 1 January	4,523	179,693
Applied during the year	11,744	4,523
Released during the year	(4,523)	(179,693)
	<u>11,744</u>	<u>4,523</u>

11. NET ASSETS BY FUNDS	Unrestricted £	Restricted £	2018 £	2017 £
Balance at 1 January 2018	223,551	94,123	317,674	438,063
Net movement in funds	266,848	264,709	531,557	(120,389)
Balance at 31 December 2018	<u>490,399</u>	<u>358,832</u>	<u>849,231</u>	<u>317,674</u>
Represented by:				
Tangible fixed assets	8,324	-	8,324	11,561
Debtors	100,000	288,531	388,531	5,567
Cash	447,906	70,301	518,207	332,202
Creditors	(65,831)	-	(65,831)	(31,656)
Total funds	<u>490,399</u>	<u>358,832</u>	<u>849,231</u>	<u>317,674</u>

COMPARATIVE FUNDS

	Unrestricted £	Restricted £	2017 £	2016 £
Balance at 1 January 2017	200,391	237,672	438,063	470,070
Net movement in funds	23,160	(143,549)	(120,389)	(32,007)
Balance at 31 December 2017	<u>223,551</u>	<u>94,123</u>	<u>317,674</u>	<u>438,063</u>
Represented by:				
Tangible fixed assets	11,561	-	11,561	3,274
Debtors	5,567	-	5,567	14,300
Cash	236,339	95,863	332,202	617,884
Creditors	(29,916)	(1,740)	(31,656)	(197,295)
Total funds	<u>223,551</u>	<u>94,123</u>	<u>317,674</u>	<u>438,163</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

12. TOTAL FUNDS	As at 1 January 2018 £	Income £	Expenditure £	Transfers £	As at 31 December 2018 £
Unrestricted					
General	223,551	869,286	(556,272)	(146,166)	390,399
Designated	-	-	-	100,000	100,000
Balance at 31 December 2018	<u>223,551</u>	<u>869,286</u>	<u>(556,272)</u>	<u>(46,166)</u>	<u>490,399</u>
Restricted					
Donor Advised Grants Fund	94,123	2,399,120	(2,223,307)	46,466	316,102
Special Projects Fund	-	609,065	(566,335)	-	42,730
Balance at 31 December 2018	<u>94,123</u>	<u>3,008,185</u>	<u>(2,789,642)</u>	<u>46,466</u>	<u>358,832</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.

A designation of £100,000 has been transferred by Trustees from unrestricted funds for projects being completed in 2019.

12. TOTAL FUNDS IN PRIOR YEAR	As at 1 January 2018 £	Income £	Expenditure £	Transfers £	As at 31 December 2018 £
Unrestricted					
General	200,391	738,086	(708,605)	(6,321)	223,551
Balance at 31 December 2018	<u>200,391</u>	<u>738,086</u>	<u>(708,605)</u>	<u>(6,321)</u>	<u>223,551</u>
Restricted					
Donor Advised Grants Fund	237,672	1,721,446	(1,868,549)	3,554	94,123
Special Projects Fund	-	300,215	(302,982)	2,767	-
Balance at 31 December 2018	<u>237,672</u>	<u>2,021,661</u>	<u>(2,171,531)</u>	<u>6,321</u>	<u>94,123</u>

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 2017. At the end of the year total commitments' payable were:

Amounts due:	2018 £	2017 £
Within one year	14,914	14,917
Between two and five years	13,261	28,175
	<u>28,175</u>	<u>43,092</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

15. RELATED PARTIES

Total remuneration of key management personnel for the year was £87,796.41 (2017: £83,881).

None of the Trustees received any emoluments during the year (2017 - none). No expenses were reimbursed to Trustees while on the charity's business during the year (2017 - none). Trustee indemnity insurance paid in the year was £1,668.32 (2017: £1,059).

Total Donations received from trustees and other persons considered to have significant influence, including those trusts and Foundations where the trustees and key management personnel can be considered to have significant influence on the donations was £188,997 (2017: £468,017).

The Charity made a grant of £4,500 to UK Task Force Limited, a company for which the Chief Executive Officer sits as an Executive committee Members.

16 FINANCIAL INSTRUMENTS	2018	2017
	£	£
Cash	518,206	332,202
Financial assets measured at amortised cost (a)	383,050	3,711
Financial liabilities measured at amortised cost (b)	(58,347)	(22,437)
Net financial assets/(liabilities) measured at amortised cost	<u>842,909</u>	<u>313,476</u>

a) Financial assets include trade and other debtors but excludes prepayments.

b) Financial liabilities include trade and other creditors but excludes, social security and other taxes.