

NEW ISRAEL FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

NEW ISRAEL FUND

FOR THE YEAR ENDED 31 DECEMBER 2019

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REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2019

Registered Office Unit 2
 Bedford Mews
 London
 N2 9DF

Registered Charity 1060081
Number

Company Registration 03296825
Number

Bankers Coutts & Co
 440 Strand
 London
 WC2R OQS

Auditor Haysmacintyre LLP
 10 Queen Street Place
 London
 EC4R 1AG

Solicitors BCLP
 Adelaide House
 London Bridge
 London
 EC4R 9HA

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

During the year the Board comprised:

Clive Sheldon QC	Chair
Paul Amit	(Appointed November 2019)
Lord Beecham	
Lance Blackstone	
Julie Blane	
Paul Burger	
Sir Trevor Chinn CVO	
John Cohen	
Jane Grabiner	
Sam Grodzinski QC	(Resigned September 2019)
Suzanne Jacobs	(Appointed November 2019)
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 appointed by existing Trustees through an open recruitment process 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 and the board has an active committee structure to ensure full oversight of all areas of operation.

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.

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The first 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 second 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 third 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. The fourth risk is a lack of relevant skills and commitment by trustees. This was addressed in 2019 by our first open and formalised recruitment process for new trustees and by implementing the recommendations of our 2018 governance review including establishing our Board committee structure. The committee structure allows for non-trustees to advise and support our work more effectively.

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 2020 and the Finance Committee plans a further review in summer 2020. The Trustees continue to review key risks. The Board and staff are regularly considering the risks from the impact of COVID-19 and are constantly monitoring the context. As grants are only committed once the funds for them are secured, this risk is mitigated. As required, the trustees will scale back operations to match NIF's ability to raise the income to fund these operations 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:

- Make grants to support the charitable work of the New Israel Fund 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 in Israel working for civil and human rights for all.

NIF's Work in Israel and the UK

NIF UK achieves its charitable objects by raising funds to support the work of NIF in Israel through grant-making 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.

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Since our inception, NIF UK's grant-making in Israel has provided over £33 million to hundreds of cutting-edge not-for-profit organisations in Israel. We also support NIF Israel's action arm Shatil which works to amplify the impact of organisations and individuals building a just, democratic and shared society in Israel. Shatil provides consulting and training to social change organisations, builds coalitions and networks and advocates for policy-change. Shatil is widely recognised as a leading player in the creation and growth of Israel's vibrant civil society. Annually, Shatil provides more than 10,000 hours of capacity-building, consultation, and organizing services to over 400 organizations, movements, and coalitions and provides training to 1,500 people. NIF's work in Israel focuses on six key issue areas:

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

This sixth issue area is developed from a major initiative we began in 2014 to strengthen the voices of democracy in Israel through incubating new projects and educational programmes reaching across society.

NIF UK's grant-making policy, which was revised in May 2019, ensures that our grant-making is based on an assessment of the needs and priorities for NIF in Israel and our beneficiaries, is spread across the above issue areas, supports both Shatil and grantee organisations and aligns with the intentions and interests of our supporters in the UK.

In parallel to our core grant-making that supports the work of New Israel Fund in Israel (our grantees, projects and Shatil), the New Israel Fund supports the work of civil society in Israel and achieves our charitable objectives through our 'Donor-Advised Funds' initiative. Through this we work with donors in the UK to enable their support directly to our partner organisations and charitable projects in Israel. All grants are governed by New Israel Fund's grant-making guidelines and policies.

In 2019, grants to nearly 50 projects were made from our core grant-making with over a further 70 projects funded through our Donor-Advised initiative.

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL IN 2019

The context for our work in Israel in 2019 was dominated by the two Knesset elections held and the third called in that year, and the crucial municipal elections. The elections brought into focus many of the issues at the core of NIF's mission; not least the struggle for the democratic character of Israel and the need to build a shared society. It also sadly increased the levels of suspicion and racism reported in society. Consequently, the elections reminded us of the role NIF and Israel's civil society has to play in defending democracy and ensuring equality for all.

Responding to this context, NIF launched a number of initiatives. For example, our Grassroots Shared Society grant pool to highlight and support the burgeoning number of local projects between Jews and Arabs which stand in stark contrast to the divisive rhetoric. Over 200 groups applied for funding and we were able to fund 25 of these fledgling initiatives while *Shatil* is providing training to other applicants whose ideas show potential for impact but still need to be developed. We also helped mobilise individuals who travelled to unrecognised Bedouin villages to help transport residents to polling stations. And our groups through their legal activism help prevent extremist voices entering the political mainstream.

The significant majority of NIF's work sits far removed from the electoral process and seeks to achieve lasting impact through projects delivering change over longer timeframes. In this respect what the elections did was to re-enforce the decision to increasingly focus NIF and our operating arm *Shatil* around two main themes – 1) the need to support and advance Israel's democratic institutions and culture and 2) developing spaces to build a truly shared society for all where

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both Jewish and Arab citizens feel at home and respect for their dignity and human rights are upheld. Below are examples of some of the projects we funded towards these objectives in 2019 and their key outputs and achievements:

- **Housing Solutions for Single Mothers living in poverty:** *Shatil* and the campaigning efforts of women trained through its *Public Housing Forum* has resulted in a huge win for single mothers in receipt of child support. Until recently they were not eligible for public housing but these efforts have reversed this policy and now 3,000 single mothers are eligible and will receive rental assistance while waiting for public housing to become available.
- **Jewish-Arab partnership improving health:** The 200 strong *Arab-Jewish Citizens' Forum for the Promotion of Health* continues to work to reduce the gaps in healthcare services between the Galilee and the centre of the country facilitating a more shared and equal society. Amongst its 2019 achievements was the building of a rehabilitation facility in Tiberias's Poriya hospital which began in December 2019. 2019 also saw the formal launch of the *Southern Health Coalition* a 20-strong forum of Jewish and Bedouin-Arab local activists, civil society representatives, medical professionals and academics working to improve access to health services in the south.
- **Victory against voter intimidation:** Successful legal action from NIF grantees *Zazim – Community Action*, *Adalah: The Centre for Minority Rights*, and *ACRI* means political parties are now forbidden from deploying cameras at polling stations. The April 2019 elections had seen cameras placed at Arab Israeli polling stations by the Likud party to intentionally suppress voter turnout for this minority group.
- **Strengthening the Ethiopian-Israeli community:** *Shatil* established the *Forum of the Advancement of Health of Ethiopian-Israelis* – a 400 strong team of doctors and nurses who are fighting racist attitudes and advancing Ethiopian-Israelis in the medical profession. Separately, the issue of police violence and discrimination against the community hit the headlines during the year. NIF grantee *Tebeka* took legal action that resulted in 10 young Ethiopian Israelis having their police records cleared of arrests for which they were never charged. The organization's advocacy helped lead to police officers wearing body cameras, which has resulted in an 80% reduction in excessive use of force against civilians.
- **Protecting Holocaust survivors' rights:** The Israeli government canceled its plan to evict dozens of Holocaust survivors from their government-subsidized housing after pressure from the *Association for Civil Rights in Israel (ACRI)*. Seventy elderly Israelis, including 45 Holocaust survivors and World War II veterans, were due to be evicted from an assisted living housing complex in the central Israeli town of Bnei Ayish before *ACRI* helped the residents file a legal petition against the decision.
- **Combating the exclusion of women:** Within just months of its founding, the *Shatil*-facilitated *Forum Against the Exclusion of Women* brought several petitions to the Israeli Supreme Court, published letters in the media denouncing the exclusion of women, and launched a joint campaign to scuttle the appointment of an ultra-Orthodox lawmaker as social equality minister. The *Israel Women's Network (IWN)* and *WIZO (Women's Int. Zionist Org.)* were backed by the forum in their formal complaint to Ramat Gan City Hall over the refusal by a city employee to let a female fan of a popular singer perform on stage with him at a municipal event. The city comptroller found that this action was illegal because it entailed gender exclusion at a public event on religious grounds.
- **Countering expressions of racism:** On Jerusalem Day, in June, religious groups marched through the Muslim Quarter of the Old City of Jerusalem to commemorate the city's unification and to avow Israeli control over East Jerusalem. The event, as is typical, included racist and violent taunts and chants, such as "Muhammad is dead," and "May the Palestinians' names be erased." NIF grantee *Tag Meir Forum* and other organizations appealed to the courts to redirect the Flag March to a route that would be less disruptive to Palestinians living in the Old City, but the petition was denied. As a response, *Tag Meir* organized a "Flower March" on the same day, in which activists distributed flowers to Muslim merchants and residents as a gesture of goodwill and peace.
- **Declining rates of racist invective in sports:** NIF's *Kick it Out* campaign to end racist chanting at Israeli Premier League football games reported a major decrease in incidents of racism this season. Only 19 incidents were recorded, compared to 54 last season. The most notoriously racist fans are found amongst the fans of Beitar Jerusalem; this season only two incidents of racist chants were recorded at their games, down from 16 last year.
- **Freedom of choice in marriage:** *Be Free Israel (Yisrael Hofsheet)* continues to offer Israelis a vital alternative to the Orthodox rabbinate. In 2019, the organization held 484 weddings, 340 legal counselling sessions, and 12 pre-wedding workshops.

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- **Women's representation in religious bodies:** The efforts of *Ne'emanai Torah Va'Avodah* helped introduce 15 women into the Chief Rabbinate Electoral College, setting an important precedent. *Shatil's Women on Religious Councils* project was active in advancing implementation of the attorney general's requirement that the Ministry of Religious Services appoint women to at least 30 percent of the positions on Israel's religious councils. *Shatil* also created a social media campaign this spring in partnership with *Ne'emanai Torah Va'Avodah* and *Kolech* aimed at recruiting women to religious councils. As of May 2019, women constitute about 20 percent of the members of the religious councils, up from 16.5 percent in 2016 and five percent four years ago.
- **Promoting Human Rights through Education:** *The Association for Civil Rights in Israel (ACRI)* is NIF's flagship partner. In addition to the vital legal work it carries out in safeguarding civil freedoms and challenging legislation that threatens to damage democratic norms, *ACRI* has an active education department. In 2019 *ACRI* grew its education work in schools and through wider public engagement; building knowledge, and changing the public discourse where it comes to issues of racism, discrimination and the Occupation. 4,500 educators accessed *ACRI*'s online education portal to download human rights-infused materials. Over 1,300 student teachers were empowered by human rights anti-racism training, and 5 pre-military academies receive human rights education in a 10-session course reaching 150 participants.
- **Growth of people-powered movements:** 2019 saw significant growth in movements of Jews and Arabs—grassroots initiatives that are mobilising Israelis to take a stand on the issues they care about. One example is *Standing Together* a grassroots Jewish-Arab movement which mobilizes people around campaigns for peace, equality and social justice whose membership increased by 400%; another example is *Zazim – Community Action* an online platform which organize Israelis from all backgrounds including on their campaign against the supremacist Jewish Power party. *Zazim*'s 200,000 activists provide 85% of its budget.
- **Recognition for Bedouin Villages:** Major strides towards the recognition of Bedouin villages in the Negev were achieved throughout the year. For example *Adalah* and *Bimkom* helped the village of Al Zarnuk successfully open a high school

UK ACHIEVEMENTS AND PERFORMANCE IN 2019

NIF's core activities in the UK are raising funds to enable us to make grants 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.

Fundraising

In 2019 we raised £2.5m, our second highest level ever. This followed on from a number of years of growth and whilst our income was not as high as our ground breaking 2018 (£3.85 million, 2017: £2.4m, 2016: £1.5m), 2019 represents a successful year as it enabled us to meet our grant making ambitions. The main causes of the decline from 2018 were the number of multi-year pledges recognised in our 2018 accounts and some one-off gifts. Our 2019 success was driven by increased giving by existing supporters, first time gifts and our most successful Human Rights Awards Dinner ever.

These amounts allowed us to make grants totalling £2.1m (2018: £2.8m, 2017: £2.4m, 2016: £1.5m) to projects in Israel.

The New Israel Fund does not use and external or third-party fundraisers. No complaints were received about our fundraising activities.

Educational Activities

In 2019 we set ourselves the ambition of becoming more focussed and intelligent in who we programmed with, who we programmed for and why. This led to us emphasising smaller group events as a means of building deeper relationships over more general larger audience events and one-off speaking opportunities. In doing so we believe the impact and interface of our programming over the longer term will achieve greater traction and momentum.

We reached 4,100 people through our programming through 56 events and speaking opportunities (2018 = 4,800 people and 67 events, 2017 = 4,400 and 80 events).

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Our flagship event, the Human Rights Awards Dinner, is a case in point where we reduced our capacity to 450 people and increased the income to £600,000 raised on the night. Our two award winners: Physicians for Human Rights Israel - which works to promote the right to health of the most vulnerable communities in Israel and the Occupied Territories, and Tebeka – the leading Israel-Ethiopian non-profit working on racism and police violence experienced by the 125,000 strong Ethiopian-Israeli community and other minorities, exemplify how NIF is helping to address some of the most pressing issues facing Israel today. We were pleased to offer six different synagogue-based events with Winners during their visit to London.

Our general programming continues to educate about the values and issues to which New Israel Fund is dedicated. Highlights in 2019 included our series of talks and events around Israel's elections, our tribute event to the novelist Amos Oz and the opportunities we provided for audiences to meet with our global leaders. We also continue working in partnership with other organisations delivering educational content and using culture to explore our issues. Notably we expanded our work with the Jewish Film Festival and Seret (the Israeli Film Festival).

New Gen is our community of young adults, young professionals and social activists coming together to support democracy, equality and justice in Israel. In 2019 we continued to hold regular education events. . The New Israel Fund Fellowship has gone from strength to strength, with the 2019/2020 cohort comprising three 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

2019 marked the first year of our new three-year strategy cycle. We also implemented our governance review and undertook a trustee recruitment exercise.

FINANCIAL OUTCOME FOR THE YEAR

With income of £2.54m in 2019 (2018: £3.88m, 2017: £2.76m) and expenditure of £2.63m (2018: £3.35m, 2017: £2.88m), NIF ran a deficit of £87k (2018: surplus of £532k, 2017: deficit of £120k). This planned deficit was the result of 2018 surplus funds being applied in 2019 to grants. Charitable expenditure was £2.49m (2018: £3.18m, 2017: £2.71m). Our grants payable of £2.12m (2018: £2.78, 2017: £2.38m) enabled NIF UK to support over 125 grantees and programmes in Israel. The costs of generating funds were £138k (2018: £167k, 2017: £170k).

The New Israel Fund remains committed to ensuring a low charitable spending ratio and is pleased to report that 5% of spending in 2019 was on income generation.

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 2020 has been set at £195,000. At the end of 2019, funds carried forward totalled £762k of which £206k was unrestricted.

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 and we are looking at new and innovative ways to expand the impact of our educational work in the UK. Owing to the COVID-19 crisis we anticipate 2020 fundraising income to fall below our income target. Our education work is also impacted with lectures, trips and other activities postponed. These are being replaced with regular and innovative digital activities. The trustees are regularly monitoring this situation and adapting our activities and operations as required. The frequency of Board and committee meetings has increased to ensure trustees are regularly reviewing our plans and risks. Our current Chair of Trustees is due to step down in spring 2021 as are some long-serving trustees. We therefore anticipate a number of leadership changes which will be managed over the coming months.

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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 4 May 2020 and signed on its behalf by:



Clive Sheldon QC
Chairman

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

Opinion

We have audited the financial statements of New Israel Fund for the year ended 31 December 2019 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 2019 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.

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

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 15 May 2020
EC4R 1AG

10 Queen Street Place
London

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

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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

INCOME AND EXPENDITURE	Notes	Unrestricted Funds £	Restricted Funds £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	2	728,892	1,805,603	2,534,495	3,847,909
Investments	4	1,169	-	1,169	449
Other Income- forex gain		6,411	-	6,411	29,113
Total income		<u>736,472</u>	<u>1,805,603</u>	<u>2,542,075</u>	<u>3,877,471</u>
Expenditure on:					
Raising funds	6	138,408	-	138,408	167,428
Charitable activities:					
Israel Projects	5	513,785	1,608,518	2,122,303	2,809,434
UK Programme	6	368,804		368,804	369,052
		<u>882,589</u>	<u>1,608,518</u>	<u>2,491,107</u>	<u>3,178,486</u>
Total expenditure		<u>1,020,997</u>	<u>1,608,518</u>	<u>2,629,515</u>	<u>3,345,915</u>
Net income/(expenditure)		(284,525)	197,085	(87,440)	531,557
Transfer between funds		-	-	-	-
Net movement in funds		(284,525)	197,085	(87,440)	531,557
Fund balances brought forward at 1 January 2019		490,399	358,832	849,231	317,674
Fund balances carried forward at 31 December 2019		<u>205,874</u>	<u>555,917</u>	<u>761,791</u>	<u>849,231</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 2019

	Notes	£	2019	£	£	2018	£
FIXED ASSETS							
Tangible assets	8			5,124			8,324
CURRENT ASSETS							
Debtors	9	279,501			388,532		
Cash at bank and in hand		546,563			518,206		
				<u>826,064</u>			<u>906,738</u>
CREDITORS: amounts falling due within one year	10	(69,397)			(65,831)		
NET CURRENT ASSETS				<u>756,667</u>			<u>840,907</u>
NET ASSETS				<u>761,791</u>			<u>849,231</u>
Unrestricted funds	11			205,874			390,399
Designated funds	11			-			100,000
Restricted funds	12			555,917			358,832
				<u>761,791</u>			<u>849,231</u>

The financial statements were approved and authorised for issue by the trustees on 4 May 2020 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 2019

	2019		2018	
	£	£	£	£
Cash flows from operating activities:				
<i>Net cash provided by (used in) operating activities</i>		23,587		159,027
Cash flows from investing activities:				
Interest from investments	1,169		449	
Purchase of property, plant and equipment	(2,810)		(2,585)	
<i>Net cash provided by (used) in investing activities</i>		(1,641)		(2,136)
Change in cash and cash equivalents in the reporting Period		21,946		156,891
Forex gain		6,411		29,113
Cash and cash equivalents at the beginning of the reporting period		518,206		332,202
Cash and cash equivalents at the end of the reporting Period		<u>546,563</u>		<u>518,206</u>

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

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(87,440)	531,556
Adjustments for:		
Forex	(6,411)	(29,113)
Depreciation charges	6,010	5,821
Interest from investments	(1,169)	(449)
Decrease/(increase) in debtors	109,031	(382,964)
Decrease in creditors	3,566	34,176
Net cash provided by/(used) in investing activities	<u>23,587</u>	<u>159,027</u>

Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	546,563	518,206
Total cash and cash equivalents	<u>546,563</u>	<u>518,206</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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 accounts have been prepared on the assumption that the Charity is able to carry on its activities as a going concern. In assessing the Charity's ability to continue as a going concern, the Trustees have considered the Charity's liquidity position and reviewed cash flow forecasts for the foreseeable future. This includes a detailed assessment by the trustees of the possible impact of the COVID-19 crisis on future operations. In addition to its cash reserves, it has no external debt or security.

For this reason, the Trustees continue to adopt the going concern basis in preparing the accounts.

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 2019

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

	2019 £	2018 £
Individual donors	688,964	769,138
Trusts and Corporate donors	1,845,531	3,078,771
	<u>2,534,495</u>	<u>3,847,909</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

3. NET INCOME FOR THE YEAR		2019	2018
		£	£
The net income for the year is stated after charging:			
Depreciation		6,010	5,821
Auditor's remuneration:			
Audit		8,500	7,700
Other		1,320	1,050
Operating lease pa charge		14,700	14,914
		<u> </u>	<u> </u>
4. INCOME FROM INVESTMENTS		2019	2019
		£	£
Bank interest receivable		1,169	449
		<u> </u>	<u> </u>
5. ISRAEL PROJECTS EXPENDITURE		2019	2018
		£	£
Grants:			
Shared Society		542,640	1,385,938
Human Rights and Democracy		563,510	855,449
Religious Freedom		62,612	26,663
Social and Economic Justice		751,348	479,661
Israeli-Arab Society		62,612	29,719
New Initiatives for Democracy		104,354	-
		<u> </u>	<u> </u>
Total grants payable		2,087,076	2,777,430
Grant support costs		35,227	32,004
		<u> </u>	<u> </u>
		2,122,303	2,809,434
		<u> </u>	<u> </u>
6. TOTAL EXPENDITURE - 2019			
	Direct	Allocated	2019
	Costs	Costs	Total
	£	£	£
Raising funds	16,589	121,819	138,408
Charitable activities:			
Israel Projects	2,087,075	35,227	2,122,302
UK Programme	163,159	205,646	368,805
	<u> </u>	<u> </u>	<u> </u>
	2,266,823	362,692	2,629,515
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURE - 2018			
	Direct	Allocated	2018
	Costs	Costs	Total
	£	£	£
Raising funds	47,425	120,003	167,428
Charitable activities:			
Israel Projects	2,777,430	32,004	2,809,434
UK Programme	174,757	194,296	369,053
	<u> </u>	<u> </u>	<u> </u>
	2,999,612	346,303	3,345,915
	<u> </u>	<u> </u>	<u> </u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

7. STAFF COSTS	2019	2018
	£	£
Wages and salaries	241,935	227,542
Social security costs	24,719	20,844
Pension costs	3,901	2,478
	<u>270,555</u>	<u>250,864</u>

Staff costs of £15,574 (2018: £13,880) are charged to Israel Projects, £159,770 (2018: £146,614) to UK Programme and £94,454 (2018: £90,369) to costs of generating funds.

The average monthly number of employees engaged in the activities of the Charity during the year was 7(2018: 7). One employee had emoluments (including benefits in kind) between £90,001 and £100,000 in the year (2018: one between £80,001 and £90,000).

8. TANGIBLE FIXED ASSETS	Computers and equipment
	£
Cost	
At 1 January 2019	19,833
Additions	2,810
Disposal	
At 31 December 2019	<u>22,643</u>
Depreciation	
At 1 January 2019	11,509
Charge for the year	6,010
Disposal	
At 31 December 2019	<u>17,519</u>
Net Book Value	
At 31 December 2019	<u>5,124</u>
At 31 December 2018	<u>8,324</u>

9. DEBTORS	2019	2018
	£	£
Accrued income	259,839	383,050
Other debtors and prepayments	19,662	5,482
	<u>279,501</u>	<u>388,532</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

10. CREDITORS: amounts falling due within one year	2019 £	2018 £
Trade creditors	4,929	14,175
Other Creditors	51,318	11,744
Other taxes and social security	8,349	7,485
Accruals & Deferred Income (see below)	4,801	31,227
	<u>69,397</u>	<u>65,831</u>

Analysis of deferred income:	2019 £	2018 £
Deferred income at 1 January	11,744	4,523
Applied during the year	-	11,744
Released during the year	(11,744)	(4,523)
	<u>-</u>	<u>11,744</u>

11. NET ASSETS BY FUNDS - 2019	Unrestricted £	Restricted £	2019 £	2018 £
Balance at 1 January 2019	490,399	358,832	849,231	317,674
Net movement in funds	(284,525)	197,085	(87,330)	531,557
Balance at 31 December 2019	<u>205,874</u>	<u>555,917</u>	<u>761,791</u>	<u>849,231</u>
Represented by:				
Tangible fixed assets	5,124		5,124	8,324
Debtors	279,501		279,501	388,531
Cash	(9,353)	555,917	546,563	518,207
Creditors	(69,397)		(69,397)	(65,831)
Total funds	<u>205,874</u>	<u>555,917</u>	<u>761,791</u>	<u>849,231</u>

NET ASSETS BY FUNDS - 2018	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>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

12. TOTAL FUNDS - 2019	As at 1 January 2019 £	Income £	Expenditure £	Transfers £	As at 31 December 2019 £
Unrestricted					
General	390,399	736,472	(920,997)	-	205,874
Designated	100,000	-	(100,000)	-	
Balance at 31 December 2019	<u>490,399</u>	<u>736,472</u>	<u>(1,020,997)</u>		<u>205,874</u>
Restricted					
Donor Advised Grants Fund	316,102	1,591,989	(1,460,707)	-	447,384
Special Projects Fund	42,730	213,614	(147,811)	-	108,553
Balance at 31 December 2019	<u>358,832</u>	<u>2,542,075</u>	<u>(2,629,515)</u>	-	<u>761,791</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.

12. TOTAL FUNDS - 2018	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>

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 2018. At the end of the year total commitments' payable were:

Amounts due:	2019 £	2018 £
Within one year	13,261	14,914
Between two and five years	-	13,261
	<u>13,261</u>	<u>28,175</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

15. RELATED PARTIES

Total remuneration of key management personnel for the year was £92,865 (2018: £87,796.41).

None of the Trustees received any emoluments during the year (2018 - none). No expenses were reimbursed to Trustees while on the charity's business during the year (2018 - none). Trustee indemnity insurance paid in the year was £1,742 (2018: £1,668.32).

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 £149,571 (2018: £188,997).

There were no other related party transactions requiring disclosure in the year.

16 FINANCIAL INSTRUMENTS	2019 £	2018 £
Cash	546,563	518,206
Financial assets measured at amortised cost (a)	263,340	383,050
Financial liabilities measured at amortised cost (b)	(61,048)	(58,347)
	<hr/>	<hr/>
Net financial assets/(liabilities) measured at amortised cost	748,855	842,909
	<hr/> <hr/>	<hr/> <hr/>

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.

17 POST-BALANCE SHEET EVENT NOTE

In light of the emergence and spread of the coronavirus (COVID-19), the Charity is monitoring the situation very closely to assess the potential impact on its operations. The Board and the finance committee are both meeting regularly with weekly cashflow and income projection reports being presented.

The Charity is likely to see an impact on its fundraising income in the year to 31 December 2020. This will likely result in a reduction in the total amount and number of grants we are able to make. There is also an impact on our educational and other activities. Our trips to Israel and our in-person events have been postponed. This postponement has enabled substantial cost-savings to be made as nearly all expenses have been recovered and the digital activities that have been introduced to deliver on our educational objective require limited additional expenditure.

The Board in March 2020 decided on a number of short-term savings to reduce planned expenditure in 2020 by an immediate 25%. This has been achieved without job-losses. Further cost saving measures have been prepared and will be implemented as required.

The Trustees are comfortable that the Charity can continue as a going concern for the foreseeable future.