

NEW ISRAEL FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

NEW ISRAEL FUND

FOR THE YEAR ENDED 31 DECEMBER 2010

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NEW ISRAEL FUND

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2010

Registered Office	25-26 Enford Street London W1H 1DW
Registered Charity Number	1060081
Company Registration Number	3296825
Bankers	Coutts & Co 440 Strand London WC2R 0QS Bank Hapoalim International 25 Savile Row London W1S 2ES
Auditors	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
Solicitors	Berwin Leighton Paisner Adelaide House London Bridge London EC4R 9HA

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

INTRODUCTION

The Trustees, who are also the directors of the charitable company, have pleasure in presenting their Trustees' Report together with the audited financial statements for the year ended 31 December 2010.

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

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

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

Board of Trustees

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

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

At the end of the year the Board comprised:

Nicholas Saphir	Chair
David Altschuler	(retired 31 December 2010)
Lord Beecham	
David Bernstein	
Lance Blackstone	
Alexander Bodin Saphir	
David Goldberg	
Mark Goldberg	(retired 31 December 2010)
Martine Halban	(retired 31 December 2010)
June Jacobs	(retired 31 December 2010)
Daniela Jaff-Klein	
Jon Mendelsohn	
Deborah Lewis	(appointed 1 January 2011)
Miles Webber	(appointed 1 January 2011)

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

STRUCTURE GOVERNANCE AND MANAGEMENT

Trustee recruitment, induction and training

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

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

Ellen Goldberg was Executive Director throughout the period in review. She was in position from February 2007. We would like to record our gratitude to Ellen for her successful tenure and wish her well in her future endeavours. Adam Ognall was appointed Chief Executive in January 2011.

Risk Management

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

The Board has several risk assessment documents, each covering an area of activity which is under periodic review. The Audit Committee reviewed the risk register in spring 2010. Several areas of risk were identified and action taken to reduce risk. 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 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.

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

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

Public Benefit

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

New Israel Fund's (NIF) main mission to promote democracy, justice and equality for all Israelis is carried out through grantmaking, operating projects and leadership development. The work supported is performed by Israeli grassroots activists and professionals in Israel, many of whom have begun as constituents and beneficiaries of previous programmes themselves. NIF UK funds supported more than 80 grantees and projects in 2010. The charitable purposes that are NIF's focus include: the prevention of poverty, advancement of education, religion (particularly religious freedom), health, citizenship & community development, human rights, conflict resolution & reconciliation, equality, diversity, environmental protection & improvement, and the relief of hardship or disadvantage, which are consolidated into our five main issue areas: Civil and Human Rights, Social and Economic Justice, Religious Pluralism, Shared Society and Environment.

There is a professional international grantmaking process to approve grantees in Israel in which several NIF Trustees are involved, and the periodic UK-based grantmaking is always approved by the Chief Executive and the NIF Board of Trustees. New projects are discussed in board committees and then a proposal made to the Trustees for their approval.

NIF beneficiaries served by our grantees include disadvantaged Israelis, including people living in poverty, Arab and Bedouin minorities, immigrants, people who don't enjoy full freedom of religion, people with disabilities, children and youth at risk, elderly, LGBT community, foreign workers and others who experience discrimination or violations of their human or civil rights.

An important aspect of our grantee organisations is that while many provide direct support to their beneficiaries, all must either campaign for solutions to the identified challenges, or must promote public participation and discourse. Capacity-building for individual, organisational and community empowerment is carried out by SHATIL, NIF's Initiative for Social Change, in organisational development, fundraising, media, financial management and campaigning.

Following are examples from NIF programme areas that show how NIF's grantmaking, projects or leadership development activities have benefited the public in 2010. These represent only a few of the achievements realised in the year, considering the more than 80 grantees and projects that NIF UK supports. NIF UK also supports NIF staff in Israel to monitor, review and report on the range of activities in which it is involved. Written reports are prepared by each grantee and on each project, while grants officers or capacity-building consultants work directly with the organisations.

Civil and Human Rights – NIF supports groups and projects working to fulfil the vision set out in Israel's Declaration of Independence of "ensuring complete equality of social and political rights to all its inhabitants irrespective of religion, race or gender". Grantees in this field advocate and campaign for full realisation of civil and human rights of all citizens residing in Israel, and for other people living under Israeli jurisdiction.

Example: Following concerted pressure led by NIF grantee *Hotline for Migrant Workers* and other partners, and the groundswell of public support they generated, the State accepted a recommendation to give residency to the children of foreign workers who have been in the country for over 5 years.

Example: Legal action in early 2010 by flagship NIF grantee *Association for Civil Rights in Israel (ACRI)* has led to the lifting of the ban on Palestinians using 14km of the key 443 Highway. The Highway was originally approved specifically in order to serve both Israelis and Palestinians.

Social and Economic Justice – NIF works to ensure social and economic justice for all Israelis, addressing issues including freedom from poverty, access to education, employment and affordable housing. New Israel Fund is unique as the only organisation in Israel that supports certain subgroups within the Israeli population that are discriminated against, sometimes even by their own communities.

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

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

Example: NIF and SHATIL have played a central role in the civil society campaign to raise government revenues from the natural gas finds off Israel's coast for the benefit of the country's education, health and welfare systems. NIF built a coalition of 20 social change organisations to support the recommendations of the official Sheshinski Committee.

Example: NIF has identified access to affordable housing as a key social issue. NIF grantee *Coalition for Affordable Housing* has developed and put forward new policy proposals accepted by a number of municipalities that include affordable housing provisions in the proposed reform of planning and building regulations. On a more local level, NIF has supported *Affordable Housing in Tirat HaCarmel* to ensure mixed-income neighbourhoods are better catered for.

Religious Pluralism – NIF works to promote religious freedom in Israel, to foster a more tolerant society that embraces the rich diversity of Jewish identity, and that creates a sphere of non-religious, civil law for all Israeli citizens.

Example: New grantee *Yerushalmim* a coalition of secular and religious Jerusalem residents have come together to oppose gender segregation in public places. We have also worked with grantees such as *Israel Religious Action Centre (IRAC)* to challenge forced gender segregation, e.g. on buses, throughout Israel.

Example: NIF has been supporting organisations and activities challenging religious discrimination. We continue to work to promote a pluralist approach to marriage, divorce and religious conversion and have campaigned against the reinstatement of unfair stipends for yeshiva students, drawing over 10,000 university students to an NIF-supported march in Jerusalem. In response to a religious ruling from respected rabbis forbidding the sale of property to non-Jews, NIF responded quickly, and within a week, one thousand rabbis globally joined together to denounce the ruling.

Shared Society – Part of NIF's mission is to create a safe space for dialogue and engagement between all sections of Israeli society.

Example: NIF funded two coalitions that coordinated significant public opposition to anti-democratic legislative proposals and against acts of racism. One of the coalitions, *Hoshech Legaresh* brings together orthodox, progressive and secular Jewish youth and student organisations.

Example: In 2010, NIF gave priority to the promotion of joint projects in mixed cities (i.e. cities with a population that includes Jews and Arabs). In addition, SHATIL launched its new *Shared Society Leadership Programme* which equips Jewish and Arab leaders with the skills required to make the vision of a shared society appealing and translate this vision into concrete action. NIF, through SHATIL, also builds cross-community networks addressing the environment and regional co-existence. Much of this work is achieved through SHATIL's *Conflict Transformation Centre*.

Environment – Our grants and projects focus on environmental justice and sustainability. They cover water resources and coastline preservation, challenging unsustainable development, tackling pollution and protecting local habitats. We also this year supported Friends of the Earth Middle East, a joint Israeli, Jordanian and Palestinian organisation that addresses water and conservation issues.

Example: NIF sponsors the *Green Environment Fund*, in partnership with other foundations, to promote environmental activism throughout Israel. One grantee *Israel Union of Environmental Defense* led the initiative that resulted into the enactment of Israel's Clear Air Law.

Example: As part of NIF's response to the Carmel Forest fires, Israel's worst natural disaster, NIF and SHATIL began mapping emergency needs and coordinating with environmental groups to address both consequences of the disaster as well as prevention. For example, by funding the *Coalition for Public Health's* research on environmental dangers. This work sat alongside emergency grants and other support we gave to the different communities affected by the fires.

UK-Based Educational Activities – New Israel Fund believes that its educational programme in the UK is a core activity that raises awareness and educates the UK Jewish and general communities about the above issue areas in Israel. NIF brings speakers from Israel who are either experts in one of the relevant issues, or are activists working for a NIF grantee or project. This allows us to inform our audiences on these issues. The Chief Executive and Trustees also regularly speak about these issues to diverse audiences including synagogues, youth and community groups and interfaith councils. NIF often works in partnership with other organisations to ensure our work reaches new audiences.

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

ACHIEVEMENTS AND PERFORMANCE

Fundraising

The economic background made the year under review difficult for all charities. In addition NIF and its donors continued to be attacked both in Israel and within Diaspora Jewish communities by individual and organisational challenges to its activities. Despite this our voluntary income in 2010, including legacies and other income was £1.408m (2009: £1.235m).

This amount represents the highest annual fundraising total NIF has achieved. Given the prevailing economic and political climates, this is a significant success. We attribute much of this success to the re-structuring of fundraising responsibilities within the staff team, board and lay leadership and improved materials and communications.

There was strong growth in general support income and income from fundraising events including the annual Human Rights Awards Dinner and our environment event. The Dinner raised £113,000.

We also experienced a significant rise in restricted funds we raised, where donors are designating the organisations and projects they seek to support. As a proportion of our income, this is the area of greatest growth. We attribute this to the growing trend amongst major individual donors and foundations to be more targeted in their philanthropy. We will look at new ways of supporting foundations and individuals interested in this form of giving.

The total number of donors fell slightly from 2009. Most of this fall is in individuals donating small amounts at our educational events or through our appeals. We will look to rectify this in 2011 by introducing an online appeal for the first time and hopefully increasing numbers giving at events. We also expect to benefit from the investment in our online presence made towards the end of 2010.

The trend of donors giving through Family Charitable Trusts is continuing. This increases the level of their giving but reduces the tax benefits that NIF receives from this income.

In 2011, we do not expect the economic situation to sufficiently improve to create a more benign fundraising environment. However, we will seek to increase the total amount of voluntary income raised and the total number of donors. To help achieve this, we will build on the momentum of 2010, capitalise on the organisation's new leadership and improve our processes. We will continue to prioritise face to face contacts with major donors and prospective donors, ensuring they are aware of the full range of work of the organisations we support and where appropriate arrange opportunities for donors to meet these organisations. We will also continue to develop our trust and foundation fundraising. A priority will be to attract higher numbers of younger donors, recognising that many will only be in a position to contribute relatively small amounts. We believe this is crucial both as we raise awareness of our work and build relationships for the medium term. We will invest resources accordingly, including through a greater on-line presence.

2010 Activities

Educational Activities

Through our events and speaking engagements we spoke to around 2,500 people in 2010. We held 30 events in 2010. We continue to find that there is an audience for bringing over speakers from Israel; both high profile speakers and grass-roots activists. Topics that were addressed through our events included; religious pluralism, environment, democracy in Israel and status of Arab citizens of Israel.

We also participated in high profile events (8 in total), sponsoring sessions at Jewish Book Week and the London Jewish Film Festival. This allowed us to raise awareness of the issues we address with new audiences. We also partnered with other Jewish organisations, e.g. synagogues and community groupings, on issues of common interest.

NIF's New Generation group continues to grow and deliver an innovative programme of activities for the, broadly, 25-39 year old age group. New Gen held 6 events which attracted around 180 people and continued to grow its network of young professionals.

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

ACHIEVEMENTS AND PERFORMANCE (continued)

Communications

In 2010, New Israel Fund UK invested significant human and financial resources to develop a new communications strategy to enhance the organisation's long term positioning. The first stage of the strategy was implemented in the second half of 2010; rebranding the organisation, sharpening our messaging, and increasing the exposure of NIF UK within the Jewish community. Central to the rebranding was a new strapline, new design content and the development of a new website and other materials. Through this we successfully shifted from a reactive to proactive communications strategy. We had a total of 29 PR hits in Jewish and national media. In 2011, we will move to the next stage of the strategy, namely towards developing our public awareness-raising and advocacy capacity to support our fundraising and educational activities.

Projects and New Activities

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

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

William Frankel Social Justice Fellowship

The inaugural Social Justice Fellowship was awarded in 2010. The Fellowship provides the opportunity for a young British person to experience a ten-month internship in a social change organisation in Israel.

FINANCIAL OUTCOME FOR THE YEAR

With income of £1.409m in 2010 compared with £1.235m in 2009, and expenditures of £1.445m (2009: £1.335m), NIF had a shortfall of £36k. (2009: £100k). Charitable expenditure was £1.29m (2009: £1.16m). Expenditure included £1m for grantmaking in Israel. This enabled NIF UK to support over 80 grantees and programmes that are of particular interest to the UK community, which is a significant achievement in difficult economic times. The costs of generating funds were £147k (2009: £165k). NIF's cost base fluctuated throughout the year as a result of staffing changes and the greater use of communications consultants in the second half of the year, relating to the rebranding and development of the new communications strategy. There was also significant recruitment costs as we recruited a new Chief Executive.

Reserves Policy

The Board's reserves policy is to maintain a minimum level of 6 months' operating costs in light of the predominant risks to the organisation, specifically a fall in income. The reserve for 2011 has been set at £170,000. The Board has reviewed the current free liquid reserves of the Charity and considers that, in view of the anticipated expenditure plans over the next year, the level is sufficient.

Employee Consultation

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

Disabled Employees

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

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

It is the policy of the Charity that training, career development and promotion of disabled persons will, as far as possible and with any reasonable adjustment be identical to that of other employees.

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the New Israel Fund for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

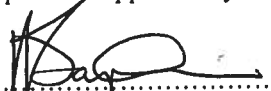
STRATEGIC AIMS AND PLANS FOR THE FUTURE

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

AUDITORS

haysmacintyre were re-appointed as auditors at the 2010 annual general meeting. A resolution to reappoint them as auditors will be proposed at the next annual general meeting.

This report was approved by the Board of Trustees on 6 MAY 2011 and signed on its behalf, by:

..... 
Nicholas Saphir
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NEW ISRAEL FUND

We have audited the financial statements of New Israel Fund for the year ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Sections 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view as set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable parent company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



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

Fairfax House
15 Fulwood Place
London
WC1V 6AY

 25 May 2011

NEW ISRAEL FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2010

INCOME AND EXPENDITURE		Unrestricted Funds £	Restricted Funds £	Total funds 2010 £	Total funds 2009 £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income					
Donations and gifts	2	627,271	781,555	1,408,826	1,235,192
Interest receivable	4	112	-	112	214
Total incoming resources		<u>627,383</u>	<u>781,555</u>	<u>1,408,938</u>	<u>1,235,406</u>
RESOURCES EXPENDED					
Charitable activities:					
Grants payable	5	315,876	679,228	995,104	916,506
Programme expenditure		260,649	33,071	293,720	243,432
		<u>576,525</u>	<u>712,299</u>	<u>1,288,824</u>	<u>1,159,938</u>
Cost of generating funds	6	147,235	-	147,235	165,678
Governance costs	6	8,898	-	8,898	9,472
Total resources expended		<u>732,658</u>	<u>712,299</u>	<u>1,444,957</u>	<u>1,335,088</u>
Net movement in funds the year		(105,275)	69,256	(36,019)	(99,682)
Fund balances brought forward at 1 January 2010		<u>183,108</u>	<u>39,895</u>	<u>223,003</u>	<u>322,685</u>
Fund balances carried forward at 31 December 2010		<u><u>77,833</u></u>	<u><u>109,151</u></u>	<u><u>186,984</u></u>	<u><u>223,003</u></u>

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

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010		2009	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		310		954
CURRENT ASSETS					
Debtors	9	37,099		37,124	
Cash at bank and in hand		198,617		420,831	
		<u>235,716</u>		<u>457,955</u>	
CREDITORS: amounts falling due within one year	10	<u>(49,042)</u>		<u>(235,906)</u>	
NET CURRENT ASSETS			<u>186,674</u>		<u>222,049</u>
NET ASSETS			<u>186,984</u>		<u>223,003</u>
Unrestricted funds	11		77,833		183,108
Restricted Funds	12		109,151		39,895
			<u>186,984</u>		<u>223,003</u>

The financial statements were approved and authorised for issue by the trustees on 6 MAY 2011 and signed on their behalf by:



 Nicholas Saphir
 Chairman

The accompanying notes form part of these financial statements.

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

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

Basis of accounting

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

Incoming Resources

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

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

Resources Expended

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

Pension costs

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

Funds

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

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

Foreign currencies

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

Tangible Fixed Assets

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

Computers and equipment - 3 years

2. DONATIONS AND GIFTS	2010 £	2009 £
Individual donors	422,826	303,988
Corporate donors	986,000	931,204
	<u>1,408,826</u>	<u>1,235,192</u>

Included in individual donors are legacies of £5,461.

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

3. NET INCOME FOR THE YEAR	2010	2009	
	£	£	
The net income for the year is stated after charging:			
Depreciation	644	1,318	
Auditors remuneration:			
Audit	6,150	6,000	
Other	605	290	
	<u> </u>	<u> </u>	
4. INCOME FROM INVESTMENTS	2010	2009	
	£	£	
Bank interest receivable	112	214	
	<u> </u>	<u> </u>	
5. GRANTS PAYABLE	2010	2009	
	£	£	
Grants to individuals:	-	380	
Grants to institutions:			
Shatil – NIF Initiative for Social Change	25,193	56,910	
Civil and Human Rights	250,982	317,084	
Religious Pluralism and Tolerance	29,452	40,371	
Social and Economic Gaps	503,699	373,808	
Environment	162,915	104,197	
	<u> </u>	<u> </u>	
Total grants payable	972,241	892,750	
Grant support costs	22,863	23,756	
	<u> </u>	<u> </u>	
	<u>995,104</u>	<u>916,506</u>	
6. ANALYSIS OF TOTAL RESOURCES EXPENDED	Staff	Other	Total
	Costs	Costs	£
	£	£	
Charitable activities:			
Grants payable (see note 5)	5,007	990,097	995,104
Programme expenditure	105,293	188,427	293,720
Cost of generating funds	64,151	83,084	147,235
Governance costs	-	8,898	8,898
	<u> </u>	<u> </u>	<u> </u>
	<u>174,451</u>	<u>1,270,506</u>	<u>1,444,957</u>

None of the trustees received any emoluments during the year. No expenses were reimbursed to trustees while on the charity's business during the year. £208 was paid for a trustee to attend a conference during the year. Trustee indemnity insurance paid in the year was £1,008 (2009: £1,313).

Included in other costs are foreign exchange losses of £6,203 (2009: £33,314).

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

6. ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)	Direct Costs £	Allocated Costs £	Total £
Charitable activities:			
Grants payable	972,241	22,863	995,104
Programme expenditure	107,927	185,793	293,720
Cost of generating funds	39,040	108,195	147,235
Governance costs	8,898	-	8,898
	<u>1,128,106</u>	<u>316,851</u>	<u>1,444,957</u>

7. STAFF COSTS	2010 £	2009 £
Wages and salaries	156,702	179,638
Social security costs	16,249	18,281
Pension costs	1,500	1,500
	<u>174,451</u>	<u>199,419</u>

The average weekly number of employees engaged in the activities of the Charity during the year, calculated on full time equivalents, was 5 (2009: 6).

No employee had emoluments (including benefits in kind) above £60,000 in the year (2009: Nil).

8. TANGIBLE FIXED ASSETS	Computers and equipment £
Cost	
At 1 January 2010	14,996
Additions	-
At 31 December 2010	<u>14,996</u>
Depreciation	
At 1 January 2010	14,042
Charge for the year	644
At 31 December 2010	<u>14,686</u>
Net Book Value	
At 31 December 2010	<u>310</u>
At 31 December 2009	<u>954</u>

9. DEBTORS	2010 £	2009 £
Other debtors and prepayments	7,958	7,990
Accrued income	29,141	29,134
	<u>37,099</u>	<u>37,124</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

10.	CREDITORS: amounts falling due within one year	2010	2009
		£	£
	Trade creditors	21,503	10,715
	Other taxes and Social Security	4,289	5,970
	Grants payable	6,323	204,380
	Accruals	16,927	14,841
		<u>49,042</u>	<u>235,906</u>

11.	FUNDS	Unrestricted	Restricted	2010	2009
		£	£	£	£
	Company				
	Balance at 1 January 2010	183,108	39,895	223,003	322,685
	Net movement in funds	(105,275)	69,256	(36,019)	(99,682)
	Balance at 31 December 2010	<u>77,833</u>	<u>109,151</u>	<u>186,984</u>	<u>223,003</u>
	Represented by:				
	Tangible fixed assets	310	-	310	954
	Other net (liabilities)/assets	(11,943)	-	(11,943)	(198,782)
	Cash	89,466	109,151	198,617	420,831
	Total funds	<u>77,833</u>	<u>109,151</u>	<u>186,984</u>	<u>223,003</u>

12.	RESTRICTED FUNDS	As at	Incoming	Resources	As at
		1 January	Resources	Expended	31 December
		2010	£	£	2010
		£			£
	Donor Advised Grants Fund	39,895	731,274	(679,228)	91,941
	Sigrid Rausing Trust Fund	-	25,000	(25,000)	-
	Special Projects Fund	-	25,281	(8,071)	17,210
	Balance at 31 December 2010	<u>39,895</u>	<u>781,555</u>	<u>(712,299)</u>	<u>109,151</u>

The Donor Advised grants transferred as grants payable in early January 2010. We would like to acknowledge the grant from the Sigrid Rausing Trust, recorded as a restricted fund, which provides general support. Special Projects Fund represents funds received to implement specific one-off projects.

13. STATUS

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

14. OPERATING LEASE

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

	2010	2009
	£	£
Between two and five years	2,263	2,263
	<u>2,263</u>	<u>2,263</u>

The lease commenced in December 2009 and is for a five year period.