

NEW ISRAEL FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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

NEW ISRAEL FUND

FOR THE YEAR ENDED 31 DECEMBER 2014

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NEW ISRAEL FUND

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2014

Registered Office 25-26 Enford Street
London
W1H 1DW

Registered Charity Number 1060081

Company Registration Number 03296825

Bankers Coutts & Co
440 Strand
London
WC2R 0QS

Auditor haysmacintyre
26 Red Lion Square
London
WC1R 4AG

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

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014.

The financial statements are in accordance with current statutory requirements, the Memorandum and Articles of Association, the 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 03296825). The governing document is the Memorandum and Articles of Association.

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

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

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

Board of Trustees

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

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

At the end of the year the Board comprised:

Nicholas Saphir	Chair
Lord Beecham	Vice Chair
David Bernstein	
Lance Blackstone	
Julie Blane	
Alexander Bodin Saphir	
Sir Trevor Chinn	
John Cohen	
Jason Goodman	(resigned 6 March 2014)
Daniela Jaff-Klein	(resigned 11 September 2014)
Daniel Levy	
Jon Mendelsohn	(resigned 10 December 2014)
Dr Eli Silber	(appointed 6 March 2014)
Deborah Sobel	
Noam Tamir	
Miles Webber	

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustee Recruitment, Induction and Training

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

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

Organisation

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

Risk Management

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

The Board maintains a risk register which covers all areas of activity and which is under periodic review. The Trustees adopted a revised risk register in summer 2014, following a review by the Audit Committee. The Trustees continue to review key risks. The economic context continues to be monitored and discussed by staff and the Board, resulting in subsequent changes in activity and/or planning as appropriate.

PRINCIPAL GOALS AND ACTIVITIES OF THE NEW ISRAEL FUND

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

Our main goals and activities are to:

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

Public Benefit

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

Aims and Objectives

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

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

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

NIF's Work in Israel

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

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

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

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

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

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL

2014 was a particularly challenging year for Israel and for those committed to democracy and equality for all Israelis. Although the year began on a note of modest hope with direct Israeli-Palestinian negotiations underway, barely half a year later the talks collapse, and the ensuing escalating chain of violent events led up to the 50-day Operation Protective Edge. Outbreaks of ultra-nationalist and racist violence erupted before and during the war, especially on the streets of Jerusalem, and have continued in its aftermath. In this atmosphere the work of human rights and shared society groups became more challenging and the ability to concentrate on our other core issues including social justice was affected.

Despite these myriad challenges, 2014 brought many achievements, often the reward for the tireless efforts of the hundreds of activists and organisations we support. NIF continued to target some of the most pressing and challenging issues facing society. As outlined below, we have seen significant progress in our work promoting tolerance and ensuring greater social and economic equality for some of Israel's most disadvantaged communities. We continued to increase our reach across Israeli society, working with new communities, promoting human rights, religious freedom and social, economic and environmental justice.

2014 was also a significant year for NIF with the launch of a series of major investments as part of our bold effort to strengthen and expand progressive forces in Israel. This new set of programmes, NIF's New Initiatives for Democracy are designed to complement our existing work, to ensure NIF is more effective in achieving our mission.

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL (continued)

Operation Protective Edge

The summer's military operation required quick mobilization to respond to urgent needs which arose either directly or indirectly as a result of the crisis. NIF focused our efforts on caring for Israelis living under rocket attack and addressing the deep tensions between Jews and Arabs within Israel. We made over 30 emergency grants to support the residents of marginalised communities in the South. This included distributing food packages and ensuring that Russian-speaking immigrants and Bedouin receive support and protection. Volunteers were trained to provide first-aid and counseling support and hotlines were established to provide practical advice. *Shatil's* Situation Room throughout the period mapped and responded to the needs identified by providing advice to frontline groups and ensuring coordination with Home Command.

To address the enormous tensions and distrust between Jewish and Arab Israelis that the war exposed, NIF's work for a shared society played a significant and visible role in counteracting racism and the escalation in violence. NIF supported shared society initiatives ranging from a concert in Be'er Sheva that brought over 300 Jews and Arabs together, to joint Jewish-Arab break-fast events to multiple demonstrations under the banner 'Peaceful Neighbours' in the Wadi Arab region where many Arab and Jewish communities share space. Alongside this, *Shatil* worked at the national level including leading a forum of organisations dealing with shared society and working on anti-racism curriculum and assisting the Ministry of Justice in improving its hotline for reporting incitement and hate crimes.

In times of conflict, Israel's human rights community plays a critical role in sustaining Israeli democracy. These groups act as an independent voice and defend Israelis' right to freedom of speech and expression. We were proud during the summer to provide additional support to these groups to ensure their important work was done.

Activities and Key Achievements in Israel 2014

The following is a selection of highlights from NIF core programmes in 2014:

Democracy and Human Rights

Throughout the tragic summer of 2014 those who exercised their right to protest the war found their employment threatened, while human rights defenders and their organizations faced deligitimisation. *The Association for Civil Rights in Israel (ACRI)*'s Human Rights Report 2014 documents many of these worrisome trends. In response to these threats to basic democratic rights a coalition of NIF grantees: *Kav La'oved*, *Itach*, *Sikkuy*, *Adalah* and *ACRI* asked the Ministry of Economy to take immediate steps against the firing and harassing of Arab employees. NIF grantees also played an important role in protecting the right of protest.

NIF works to safeguard Israel's democracy by promoting transparency and accountability. Through the work of *Shatil* and *ACRI*, NIF also continues to work to combat anti-democratic bills and strengthen democratic processes. We were active on the 'Nation-State' bill which sought to prioritise Israel's Jewish character over its democratic nature. A number of victories for transparency we achieved. For example NIF grantee *Molad* published its 'Yeshagate' expose regarding public funds to the private NGO of the settlement enterprise. Also thanks to the *Movement for Freedom of Information* in May, government data regarding expenditure in the West Bank was made public, indicating that disproportionate funds were going to the West Bank over the Galilee and Negev regions. NIF is supporting several young dynamic organisations e.g. *Public Knowledge Workshop* and *Social Guard* that emerged from the 2011 Social Protests that are driving public accessibility to information.

One beacon of light this year was the High Court ruling in September which overturned the 4th Amendment to the Anti-Infiltration Law. The Court ruled that within three months the government must close the Holot 'Open' Detention Camp where over 2,000 Eritrean and Sudanese refugees are incarcerated. The petition was filed by *ACRI*, *Hotline for Refugees and Migrants*, *Kav L'Oved*, *ASSAF* and *Physicians for Human Rights*. Unfortunately in December the government passed a 5th Amendment which kept the Holot Camp open. A further petition against this has been filed. In the meantime, thanks to the work of our organizations, heating was installed in the Holot facility during winter. More broadly throughout the year NIF has been supporting initiatives that raise the profile of refugee issues and support the welfare of refugees.

A major, related success, in February was the decision by the Interior Ministry to grant 221 children of labour migrants residency. This followed a four year campaign by *Israeli Children*.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL (continued)

Democracy and Human Rights (continued)

NIF grantees continued their work protecting the rights of Palestinians in the West Bank and East Jerusalem. For example *Machsom Watch* volunteers continue to monitor and document harsh treatment including the decision to keep Palestinians off buses travelling to the West Bank. *Machsom Watch* volunteers boarded the buses and positioned themselves at bus stops.

Social and Economic Justice

Despite the events of 2014, NIF grantees and Shatil did not let up on social and economic justice issues. We continue to recruit, educate and mobilise the public and lead efforts to advance the struggle for social and economic justice in Israel.

We achieved a number of significant advances in the field of affordable housing. Following the work of the *Shatil-led Public Housing Forum*, Israel's public housing laws will be implemented, helping thousands of Israelis to take a critical step out of poverty. The *Coalition for Affordable Housing* also saw success in ensuring the implementation of Israel's commitment to providing affordable housing. Our work supporting some of Israel's most vulnerable employees also made strides this year. Gender wage gaps are being tackled through equal pay laws and greater transparency promoted by *Israel Women's Network*. This past autumn, more than 500 Israeli women, politicians, CEOs, etc, gathered for a conference on wage gaps and career advancement. *Shatil* presented the "Equal Pay Calculator," for employers.

NIF and Shatil continue to address a range of social and economic issues that affect Israel's most disadvantaged communities, often those on the geographic periphery. The *Northern Health Equity Leadership Network* tackles the health inequalities faced by those living in northern Israel who on average can expect to live for a shorter period of time than other Israelis. The network brings together local residents, medical professionals and civil society leaders. It ran two courses in 2014 in the Galilee region where residents were training to become agents of change. Participants were encouraged to develop practical projects. Projects in the works include the opening of a rehabilitation centre in Northern Galilee, a women's health centre, a smoking cessation programme aimed at Arab youth and a health education programme for schools.

Shatil's Local Sustainable Economic Development Initiative in the Negev region has already had a dramatic impact on the ground, instilling a new discourse and approach to development amongst local communities, small businesses and others. In 2014 *BETA – the Negev Hub* which is a shared office space for social and business entrepreneurs, based in Be'er Sheva, was launched.

NIF also continues to support organisations and projects on the local level. For example, we continue to support local organisations such as *Be'er Soba* and *Ahuzat Negev* in the South of Israel which work on food security and community organising.

Shared Society and Combating Racism

The panic and heightened tensions in the Protective Edge military operation and its aftermath highlighted the urgency of NIF's work to combat racism and incitement. At the same time, despite the recent Arab-Jewish tensions that came to the forefront, we also saw how the shared society infrastructure created by NIF and Shatil in the past years made a powerful difference in bringing people and communities together, projecting a public message that Jews and Arabs need not be enemies. Overall, we were encouraged by the ever-growing circles of Israelis joining with us to protest against racism and violence, to hold leaders accountable, and to proclaim loud and clear our vision of a more tolerant, democratic and inclusive society.

The importance of the *Tag Meir Forum* continues to grow and combat hate crimes. Now encompassing 48 organizations, *Tag Meir* is gaining household familiarity as the Jewish voice against extremism. *Tag Meir* took busloads of hundreds of concerned Israelis to pay a condolence call to the family of Mohammed Abu Khdeir (the Arab teenager burned to death by Jews seeking revenge for the murder of three Jewish teenagers), visited the hospital beds of Arab victims of hate crimes, ran ad-hoc peace rallies and activities across the country and more. They also initiated eight Interfaith Awareness Trek events across the country attended by hundreds from different religions, promoting mutual acceptance through study, dialogue, poetry and more. *Tag Meir* also had several notable advocacy successes: preventing the outspoken racist Rabbi Eliyahu from being elected as Chief Rabbi of Jerusalem, and the first court ruling approving financial compensation to an Arab victim of a "price tag" attack.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL (continued)

Shared Society and Combating Racism (continued)

NIF's *Kick it Out* campaign continues to monitor racism in stadiums and promote tolerance and greater sporting behaviour. It produced a popular video featuring current and past members of Israel's national football team demonstrating how Jews and Arabs can come together through the national sport. The film is screened before televised national team matches.

Highlights of Shatil's *Shared Society Programme* included the launch in February of the first cohort of our new *Leadership for Shared Society* training programme. The goal is to create a network of Arab and Jewish leaders who will formulate and implement models and projects. This first cohort was made up of 26 Jewish and Arab leaders from the public, private and non-profit sectors from all across Israel. Members of the group met monthly to explore each individual's views on shared society, to strengthen his or her role as a leader, and to learn about tools and strategies for bringing about change in Israel's current climate.

Shatil continues to work to transform Israel's mixed cities into vibrant microcosms of shared society. In Haifa the new *Centre for Dialogue and Conflict Management* has proven to be extremely useful in helping Haifa's residents and institutions manage inter-communal conflicts through dialogue, prevent conflicts from escalating, and help build a shared society in Haifa. In November 2014, *Shatil* launched an innovative project which brought together more than 1,000 Arabs and Jews in an exploration of the power of stories as a trigger for healing the painful wounds of conflict.

NIF and Shatil also worked at the regional level to respond to the tensions from the summer. The *Jewish-Arab Galilee Conference* brought together northern residents who want a different reality and has organised them into concrete working groups addressing issues from education to the economy.

New Israel Fund also continues to support organisations within Israeli-Arab society with our efforts focused on two main issues; land and distributive justice, and advancing Arab women. On the former, we continue to defend the rights of Bedouin citizens with some rays of light being the recognition of the village of Rahame following work by *Bimkom* and the saving of the unrecognised village of a-Sira following an intervention by *Adalah*. Our work on housing continues in mixed cities including Lod and Jaffa where we ensure local residents are better informed on their rights and have the tools to engage with local authorities. Advancing Arab women in leadership positions at the local level is key. *Mossawa* is working to build the capacity of new Arab women council members and to help identify future leaders.

Religious Freedom

The lack of freedom of and from religion remains one of the core obstacles to strengthening Israel's democracy. Key issues we addressed in 2014 were Freedom of Choice in marriage, combating religious extremism and promoting the rights of women in the public space.

The *Freedom to Marry Task Force* comprised of the six leading religious freedom organisations (all NIF grantees) continues to exert public and media pressure.

Amidst heightened tensions in the country, NIF was concerned about manifestations of religious extremism that add fuel to the fire, such as racist statements and writings of rabbis whose followers have committed acts of violence against non-Jews. In this context, NIF increased our grants and *Shatil's* work to strengthen moderate voices that can work to combat extremism from within orthodox communities.

We saw a number of positive developments in our work promoting the rights of women. Much of this work is led by the orthodox women's organisation *Kolech* and the *Israel Religious Action Centre*. They continue to challenge gender segregation and have ended the practice at a public radio station of refusing to broadcast women's voices. They also continue to address the issue of gender segregation in buses and have helped local groups to remove modesty signs from the streets of Beit Shemesh and Jerusalem and tackled the phenomenon of separate entrances for men and women to cemeteries.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL (continued)

New Initiatives for Democracy

In February 2014, the NIF International Board approved a set of strategic partnerships. NIF's New Initiatives for Democracy (NIF-D) is an ambitious new effort to change public discourse and strengthen progressive forces in Israel. NIF-D seed-funds and supports new institutions with the long-term goals of restoring Israel's commitment to the ideals of its founders. It is constructed around three strategies. *Building Up* the influence of progressive voices, *Reaching Out* to new constituencies by building bridges to communities that share significant values, and *Focusing In* by concentrating NIF's resources for impact. Eight new partners and/or programmes were identified and began to receive funding or incubation support. Critically, it is designed to complement our existing work. Some of the early achievements and investments include:

Articulating Progressive Vision and Policy: NIF is supporting *Molad - the Israeli Centre for the Renewal of Israeli Democracy*, a think-tank and hub for innovative thinking. One of its major achievements in 2014 was the publication of a report that exposed transfers of money from the WZO's Jewish Settlements Division to West Bank Settlements. Molad provides training and policy support for progressive leaders and it is also beginning to forge alliances between Haredi and Arab groups.

Reclaiming National Security: NIF is partnering with the *Council for Peace and Security*, an association of former senior security officials in Israel. We are amplifying CPS's resources and outreach. It spearheaded the formation of a joint forum of organisations working to promote political solutions to the Israel-Palestinian conflict and is expanding the variety of audiences it works with, such as Russian-speakers and Haredi communities.

Expanding the Camp: NIF is supporting *Shaharit*, an organisation that promotes partnerships that spans the divides in society. It is making significant headway towards creating a national movement of local groups that represent diverse communities. Its 'Project 120' trains future political leaders and its 20+ local vision groups build dialogue at the municipal level.

Engaging with the Masorti-Mizrahi Community: NIF is funding a long-term strategic effort within *KIAH*, a large and established organisation in the field of education, to bolster its public and media efforts aimed at sounding the moderate traditional-Mizrahi voice. *KIAH's* new strategy includes the creation of a rich database of writings of rabbis and sages from Muslim countries which convey messages on subjects such as tolerant attitudes towards the "other", religious moderation, and social justice. *KIAH* also launched a new pilot project in Ofaqim this year, which combines work in the local schools, with communities and young people, and with neighbourhood rabbis.

UK ACHIEVEMENTS AND PERFORMANCE IN 2014

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

2014 was a successful year for NIF in the UK. Our fundraising results meant we achieved our highest ever level of grant-making to Israel including our largest core grant for the work of NIF and Shatil. Our activities in the UK helped us increase the number of people we reach. This was achieved through building on our existing successful events model and introducing new activities.

Fundraising

In 2014, our total fundraising was £1,520,856. Excluding legacies, this represents our most successful fundraising year.

The growth in our fundraising was based on three factors: new major donors, increasing support from existing donors; and successfully bringing some previous donors back into the fold. We saw a 4% increase in the number of people donating to NIF.

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

UK ACHIEVEMENTS AND PERFORMANCE IN 2014 (continued)

Fundraising (continued)

Our Human Rights Awards Dinner achieved a strong result. We also are beginning to see an increase in online donations and community fundraising – whether through partnerships or sponsorship events. We also benefitted for being the charity partner for the Movement for Reform Judaism whilst building our relationships with synagogues from different streams.

Educational Activities

New Israel Fund remains committed to providing the community with a positive and meaningful platform for engagement with Israel. In 2014 we reached around 3,000 people through our over 60 events and speaking opportunities.

Our educational activities in the first half of the year focused on bringing the community in contact with Israeli activists working on some of the most pressing issues. In January we focused on Bedouin issues and in March we ran events exploring social justice with a Jewish lens. Our Yom Ha'atzmaut events celebrated activism in Israel and in late June we held a speaker tour on modern Orthodoxy and the role of women in Israel. For these events we partnered with a range of community organisations including Orthodox and Reform synagogues.

To help the community understand the events of the summer, we arranged a speaker tour from NIF International President-elect Talia Sasson. Talia spoke to a range of audiences including a public lecture at LJCC and a group of lawyers in early September.

We also continued our successful partnerships. One particular highlight was the sell-out screening of the film *Gett* at the Jewish Film Festival with the Jewish Orthodox Feminist Alliance.

NIF staff and board members and our colleagues from Israel continue to present on our issues to a range of audiences including the Limmud Conference.

Human Rights Awards Dinner

Our signature event was our Human Rights Awards Dinner 2014. This year we celebrated the voices of Israel. We focused the evening on our three winners; Yifat Biton (*Tmura*), Yonathan Shacham (*Israeli Children*) and Leah Shakdiel (an Orthodox feminist and peace activist).

New Generations

New Gen is the NIF group for young professionals which provides a space for creative engagement with Israel. We continued to hold events for this group and introduced our 'Food for Thought' series of Friday dinners. We achieved a significant increase in New Gen activity on social media and launch the 'New Activism' blog which is a home for young adults in the community interested in connecting with and learning from social change in Israel.

2014 saw a significant expansion of our work with younger audiences. We ran events in schools, including the Yom Haatzmaut activities at JCOSS for Year 10 and we deepened our educational work with youth movements – including regular education sessions for youth movement workers (joint with Yachad) and running sessions for their leadership (*madrichim*).

The 2013-14 William Frankel Social Justice Fellow, Aurel Diamond, spent his ten months in Israel interning at *Yedid – the Association for Community Empowerment*.

Digital Engagement

2014 saw a significant expansion of NIF's online activities. We are increasingly finding our website, newsletter and social media are important educational and outreach tools. We more than doubled levels of engagement on social media.

We held two Vote for Change competitions in 2014. The first repeated the model of asking people to vote which of the four grassroots projects profiled should win the modest prize fund. For the autumn edition, we revamped Vote for Change to include text giving – thereby giving people a new opportunity to engage and support social change in Israel.

2014 also witnessed the launch of our new website and newsletter, which has helped drive up traffic.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

UK PERFORMANCE AND ACTIVITIES IN 2014 (continued)

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

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

Leadership

We saw some board changes in 2014 with three board members Jason Goodman, Dani Jaff-Klein and Lord Mendelsohn stepping down. Dr Eli Silber was appointed to the board. The board began in the summer the successful process of appointing a successor to Chairman, Nicholas Saphir. The new chair, Clive Sheldon takes over in May 2015.

Our Advisory Council continued to meet in 2014 helping NIF consider some of its most strategic challenges. It brings together a diverse group of NIF supporters and community leaders of different generations.

FINANCIAL OUTCOME FOR THE YEAR

With income of £1.52m in 2014 compared with £1.65m in 2013, and expenditure of £1.69m (2013: £1.32m), NIF had a deficit of £167k (2013: surplus of £330k). Charitable expenditure was £1.6m (2013: £1.2m). Our grants payable of £1.24m enabled NIF UK to support over 80 grantees and programmes in Israel that are of particular interest to the UK community. The costs of generating funds were £122k (2013: £117k).

Reserves Policy

The Board's reserves policy is to maintain a minimum level of 6 months' operating costs in light of the predominant risks to the organisation, specifically a fall in income. The reserve goal for 2015 has been set at £150,000. The Board has reviewed the current free liquid reserves of the Charity and considers that, in view of the anticipated expenditure plans over the next year, the level is sufficient.

Employee Consultation

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

Disabled Employees

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

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

NEW ISRAEL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as we are aware:

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

STRATEGIC AIMS AND PLANS FOR THE FUTURE

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

AUDITORS

haysmacintyre were re-appointed as auditors at the 2014 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

and signed on its behalf, by:

Nicholas Saphir
Chairman

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

We have audited the financial statements of New Israel Fund for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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

26 Red Lion Square
London
WC1R 4AG

2015

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

NEW ISRAEL FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2014

INCOME AND EXPENDITURE		Unrestricted Funds	Restricted Funds	Total funds 2014	Total funds 2013
	Notes	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income					
. Donations and gifts	2	516,192	1,004,664	1,520,856	1,652,258
Interest receivable	4	586	-	586	349
Total incoming resources		<u>516,778</u>	<u>1,004,664</u>	<u>1,521,442</u>	<u>1,652,607</u>
RESOURCES EXPENDED					
Charitable activities:					
Israel Projects	5	152,918	1,108,004	1,260,922	929,686
UK Programme		289,862	6,465	296,327	266,636
		<u>442,780</u>	<u>1,114,469</u>	<u>1,557,249</u>	<u>1,196,322</u>
Cost of generating funds	6	121,794	-	121,794	117,138
Governance costs	6	9,034	-	9,034	9,329
Total resources expended		<u>573,608</u>	<u>1,114,469</u>	<u>1,688,077</u>	<u>1,322,789</u>
Net movement in funds the year		(56,830)	(109,805)	(166,635)	329,818
Fund balances brought forward at 1 January 2014		<u>441,316</u>	<u>114,626</u>	<u>555,942</u>	<u>226,124</u>
Fund balances carried forward at 31 December 2014		<u><u>384,486</u></u>	<u><u>4,821</u></u>	<u><u>389,307</u></u>	<u><u>555,942</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 2014

	Notes	£	2014	£	£	2013	£
FIXED ASSETS							
Tangible assets	8			2,068			4,156
CURRENT ASSETS							
Debtors	9	2,775			101,419		
Cash at bank and in hand		411,780			465,378		
				<u>414,555</u>		<u>566,797</u>	
CREDITORS: amounts falling due within one year	10	(27,316)			(15,011)		
NET CURRENT ASSETS				<u>387,239</u>		<u>551,786</u>	
NET ASSETS				<u>389,307</u>		<u>555,942</u>	
Unrestricted funds	11			384,486			441,316
Restricted funds	12			4,821			114,626
				<u>389,307</u>		<u>555,942</u>	

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

and signed on their

.....
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 2014

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 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. 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

	2014 £	2013 £
Individual donors	301,732	789,785
Trusts and Corporate donors	1,219,124	862,473
	<u>1,520,856</u>	<u>1,652,258</u>

Included in individual donors are legacies of £ Nil (2013: £470,147).

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

3. NET INCOME FOR THE YEAR			2014	2013
			£	£
The net income for the year is stated after charging:				
Depreciation			2,689	2,896
Auditor's remuneration:				
Audit			7,000	6,850
Other			55	924
			<u> </u>	<u> </u>
4. INCOME FROM INVESTMENTS			2014	2013
			£	£
Bank interest receivable			586	349
			<u> </u>	<u> </u>
5. ISRAEL PROJECTS EXPENDITURE			2014	2013
			£	£
Grants:				
Shatil – NIF Initiative for Social Change			261,382	95,853
Civil and Human Rights			323,616	302,164
Religious Pluralism and Tolerance			37,340	40,167
Social and Economic Justice			510,318	315,856
Environment			112,021	158,841
			<u> </u>	<u> </u>
Total grants payable			1,244,677	912,881
Grant support costs			16,245	16,805
			<u> </u>	<u> </u>
			<u>1,260,922</u>	<u>929,686</u>
6. ANALYSIS OF TOTAL RESOURCES EXPENDED				
	Direct	Allocated	2014	2013
	Costs	Costs	Total	Total
	£	£	£	£
Charitable activities:				
Israel Projects	1,244,677	16,245	1,260,922	929,686
UK Programme	113,988	182,339	296,327	266,636
Cost of generating funds	19,772	102,022	121,794	117,138
Governance costs	9,034	-	9,034	9,329
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>1,387,471</u>	<u>300,606</u>	<u>1,688,077</u>	<u>1,322,789</u>

None of the trustees received any emoluments during the year (2013 - none). No expenses were reimbursed to trustees while on the charity's business during the year (2013 - none). Trustee indemnity insurance paid in the year was £1,018 (2013: £1,018).

Included in other costs are foreign exchange losses of £3,275 (2013: losses of £1,781).

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

7. STAFF COSTS	2014	2013
	£	£
Wages and salaries	214,113	189,767
Social security costs	21,422	19,047
Pension costs	3,348	3,348
	<u>238,883</u>	<u>212,162</u>

Staff costs of £6,338 (2013: £5,300) are charged to Israel Projects, £150,608 (2013: £136,214) to UK Programme and £77,586 (2013: £70,648) to costs of generating funds.

The average weekly number of employees engaged in the activities of the Charity during the year, calculated on full time equivalents, was 5 (2013: 5). One employee had emoluments (including benefits in kind) between £60,001 and £70,000 in the year (2013: one).

8. TANGIBLE FIXED ASSETS	Computers and equipment
	£
Cost	
At 1 January 2014	23,682
Additions	601
At 31 December 2014	<u>24,283</u>
Depreciation	
At 1 January 2014	19,526
Charge for the year	2,689
At 31 December 2014	<u>22,215</u>
Net Book Value	
At 31 December 2014	<u>2,068</u>
At 31 December 2013	<u>4,156</u>

9. DEBTORS	2014	2013
	£	£
Other debtors and prepayments	2,775	8,419
Accrued income	-	93,000
	<u>2,775</u>	<u>101,419</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

10. CREDITORS: amounts falling due within one year	2014	2013
	£	£
Trade creditors	14,056	1,257
Other taxes and social security	4,833	5,326
Accruals	8,220	8,220
Net wages	207	208
	<u>27,316</u>	<u>15,011</u>

11. FUNDS	Unrestricted	Restricted	2014	2013
	£	£	£	£
Balance at 1 January 2014	441,316	114,626	555,942	226,124
Net movement in funds	(56,830)	(109,805)	(166,635)	329,818
	<u>384,486</u>	<u>4,821</u>	<u>389,307</u>	<u>555,942</u>
Balance at 31 December 2014	384,486	4,821	389,307	555,942
Represented by:				
Tangible fixed assets	2,068	-	2,068	4,156
Debtors	2,775	-	2,775	101,419
Cash	406,959	4,821	411,780	465,378
Creditors	(27,316)	-	(27,316)	(15,011)
	<u>384,486</u>	<u>4,821</u>	<u>389,307</u>	<u>555,942</u>
Total funds	<u>384,486</u>	<u>4,821</u>	<u>389,307</u>	<u>555,942</u>

12. RESTRICTED FUNDS	As at	Incoming	Resources	As at
	1 January	Resources	Expended	31 December
	2014	£	£	2014
	£			£
Donor Advised Grants Fund	81,408	741,974	(822,334)	1,048
Special Projects Fund	33,218	262,690	(292,135)	3,773
	<u>114,626</u>	<u>1,004,664</u>	<u>(1,114,469)</u>	<u>4,821</u>
Balance at 31 December 2014	114,626	1,004,664	(1,114,469)	4,821

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

13. STATUS

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

14. OPERATING LEASE

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

	2014	2013
	£	£
Within one year	12,960	-
Between two and five years	-	12,960
	<u>12,960</u>	<u>12,960</u>

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