

NEW ISRAEL FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

NEW ISRAEL FUND

FOR THE YEAR ENDED 31 DECEMBER 2017

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NEW ISRAEL FUND

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2017

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

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The New Israel Fund is a Charity (registered number 1060081) and a Company limited by guarantee with no share capital (registered number 03296825). The governing document is the Memorandum and Articles of Association.

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

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

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

Board of Trustees

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

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

At the end of the year the Board comprised:

Clive Sheldon QC	Chair
Lord Beecham	
David Bernstein	(Resigned 17 September 2017)
Lance Blackstone	
Julie Blane	
Paul Burger	
Sir Trevor Chinn CVO	
John Cohen	
Jane Grabiner	
Sam Grodzinski QC	
Martin Paisner CBE	
Sarah Peters	
Dr Eli Silber	
Dr Juliet Stevens	
Noam Tamir	
Miles Webber	(Resigned 8 March 2017)

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT CONTINUED

Trustee Recruitment, Induction and Training

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

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

Organisation

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

Remuneration of Key Management Personnel

The pay and remuneration of the charity's Chief Executive Officer is set by the Chair of Trustees in consultation with other board members. From 2017, Chief Executive Officers' pay is more closely aligned to the formal appraisal process which is led by the Chair.

At March 2018, the Board appointed a remuneration subcommittee, comprising the Chair and two other Trustees. The subcommittee is responsible for reviewing and setting the Chief Executive Officer's pay and advising the Chief Executive Officer on remuneration for the rest of the staff team.

Principal Risks and Uncertainties

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

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

The Board maintains a risk register which covers all areas of activity and which is under periodic review. The Trustees adopted a revised risk register in summer 2017. 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.

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

PRINCIPAL GOALS AND ACTIVITIES OF THE NEW ISRAEL FUND

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

Our main goals and activities are to:

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

Public Benefit

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

Aims and Objectives

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

NIF's Work in Israel and the UK

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

Since our inception, NIF UK has provided over £27 million to hundreds of cutting-edge not-for-profit organisations in Israel. We also support NIF Israel's action arm Shatil which provides Israel's social change community with hands-on assistance. In addition, NIF/Shatil builds coalitions, empowers activists, and takes the initiative in spearheading national advocacy campaigns. NIF's work in Israel focuses on five key issue areas:

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

Moreover, since 2014 NIF has been leading a major initiative called 'New Initiatives for Democracy' to strengthen the voices of democracy in Israel.

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

SUMMARY OF ACTIVITIES AND KEY ACHIEVEMENTS IN ISRAEL IN 2017

2017 brought many challenges for Israeli society, and a worrying increase in social tensions. From the status of Jerusalem, to questions of freedom of speech, to closing mini-markets on Shabbat, voices from the extremes are mounting. Yet, in the face of these increased pressures we are seeing inspiring examples of action from organisations working on the front line, building capacity and organising for change, helped by our donor's support.

Our work in 2017 both responded to these challenges and opportunities whilst continuing to develop and deliver our long term work. Our annual review and website provide a detailed overview of our work and achievements in 2017 which included:

- NIF's Kick Racism Out of Football ('Kick it Out') initiative launching the world's first football Team for Social Responsibility. The team, comprised of leading Jewish and Arab footballers, men and women, has been touring Israel delivering special events that promote the values of tolerance and acceptance.
- To mark 50 years since the 6 Day War, and in defence of human rights and democracy, NIF helped to organise a series of events and resources to educate the Israeli public. This includes a 17,000 strong gathering of Israelis under the message 'Two States, One Hope', making a strong collective statement of unity and peace.
- Our Shatil-led Arab-Jewish Citizens Forum for the Promotion of Health in the Galilee succeeded in establishing a radiotherapy centre in the Northern city of Tzfat, the first of its kind and a huge step forward in the campaign to reduce health inequalities.
- Also in the field of social and economic justice, the Shatil-founded Public Housing Forum celebrated a victory in our fight against poverty by working with the government to secure a 1 billion shekel commitment to invest in public housing. At the same time, the Forum worked for tens of thousands of elderly Ethiopian and Russian-immigrants on securing appropriate housing solutions.
- Our support for Tag Meir has allowed it develop into the leading Jewish voice against extremism and violence. It continues to provide swift public responses to every hate crime. For example in June, over 100 activists joined a solidarity visit with Nadwa Jaber a school teacher who was attacked in front of her daughters. Tag Meir is also bolstering education against racism. Its Education Unit brings together teachers from the religious Jewish and Arab education streams and they have introduced a programme for head teachers of religious-Jewish schools to provide them with the tools to teach values of tolerance.
- Two significant developments in our New Initiatives for Democracy were the launch of The Whistle and the dramatic growth of Zazim. Zazim is a 'people power' platform that uses digital tools to allow citizens to organise collective action. By the end of 2017, Zazim's membership had grown to over 80,000 Israelis and its campaigns addressed issues as diverse as the rights of LGBT+ people to adopt, the energy crisis in Gaza and elderly care. The Whistle is a media accuracy non-profit that was launched in July 2017 with the aim of holding the media accountable for misinformation and political bias.

UK ACHIEVEMENTS AND PERFORMANCE IN 2017

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.

2017 was a record year for NIF in our fundraising and in the reach of our activities.

NEW ISRAEL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Fundraising

With £2.76m raised, 2017 represents our record fundraising year and an increase on 2016 of £790k (40%). This growth was driven by increased giving by existing supporters, some large first time gifts and our most successful Human Rights Awards Dinner ever.

These record amounts allowed us to make grants totalling £2.38m (2016: £1.51m) to projects in Israel.

Educational Activities and Activities

During the course of 2017 NIF programming reached nearly 4,400 people through 80 events, retaining the significant uplift in audience numbers in 2016. Our emphasis during the year was on the quality of our events and ensuring a greater alignment of programming with our strategic goals. We built a successful season of events around 50 Years of Occupation which engaged over 600 people. This included film screenings and meetings with representatives of grantees such as ACRI and Breaking the Silence.

2017 was a year that we can proudly say we both nurtured new partnerships and strengthened existing relationships. Organisations we partnered with include UK Jewish Film, Seret (the Israeli Film Festival), Jewish Book Week, Yachad, the Jewish Orthodox Feminist Alliance, JW3 and the Masorti Movement. We also continued to work with synagogues from across the denominations providing speakers and helping with content for their Israel trips.

2017 was the year that our annual Human Rights Awards Dinner really 'came into its own' as one supporter commented. We exceeded all our targets, bringing in almost 500 people to the evening, as well as raising a record-breaking £500,000 (our target was 450 people and £400,000). One specific highlight was the growth in younger guests with around 90 students and young adults sitting at our 'New Gen' tables.

HRAD capped off a much stronger than 2015 or 2016 year for our New Generations, young adult work. We managed to bring attendance at the bespoke New Gen events back up to earlier levels and really enhance our online engagement – with a 15% growth in the database and through our New Gen newsletter and social media more regular content to them. We also continue to deliver educational content in schools, on campus and to youth movements.

Leadership and Strategy

2017 represented a year of consolidation and further improvement in our leadership and staff structures. With an established and settled complement of board and staff members throughout the year we were able to focus on training and planning. We thank David Bernstein and Miles Webber who stepped down as trustees during the year.

FINANCIAL OUTCOME FOR THE YEAR

With income of £2.76m in 2017 (2016: £2.01m) and expenditure of £2.88m (2016: £2.04m), NIF had a deficit of £120k (2016: deficit of £30k). Charitable expenditure was £2.71m (2016: £1.90m). Our grants payable of £2.38m (2016:£1.51m) enabled NIF UK to support over 125 grantees and programmes in Israel. The costs of generating funds were £170k (2016: £141k).

Reserves Policy

The Board's reserves policy is to maintain a minimum level of six months' operating costs in light of the predominant risks to the organisation, specifically a fall in income. The minimum reserve goal for 2018 has been set at £180,000. At the end of 2017, total reserves were £318k of which £94k was restricted and £224k unrestricted. We anticipate spending out all of these restricted funds and unrestricted funds over and above our reserve target in 2018.

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.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Plans for the future

The Board do not anticipate any substantial changes to the objectives and activities of New Israel Fund in the coming period. We plan to continue our fundraising and education work. We have set an ambition to continue to grow our fundraising over the next period. We have planned an ambitious programme of educational activities for 2018. On the expenditure side we do not plan to make any significant increases in our cost base, including staff numbers, in 2018. 2018 is the end of our 3 year strategic planning cycle and we will be conducting a strategic planning process to develop plans for 2019-2021 during the summer.

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.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

RELEVANT AUDIT INFORMATION

Insofar as we are aware:

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

AUDITORS

haysmacintyre were re-appointed as auditors at the 2017 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 2018 and signed on its behalf by:

.....
Clive Sheldon QC
Chairman

Opinion

We have audited the financial statements of New Israel Fund for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Use of audit report

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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

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

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

10 Queen Street Place
London
EC4R 1AG

NEW ISRAEL FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

INCOME AND EXPENDITURE	Notes	Unrestricted Funds £	Restricted Funds £	Total funds 2017 £	Total funds 2016 £
Income from:					
Donations and legacies	2	737,864	2,021,661	2,759,525	1,970,307
Investments	4	222	-	222	298
Other Income- forex gain		-	-	-	35,458
Total income		<u>738,086</u>	<u>2,021,661</u>	<u>2,759,747</u>	<u>2,006,063</u>
Expenditure on:					
Raising funds	6	170,221	-	170,221	140,614
Charitable activities:					
.Israel Projects	5	324,626	2,085,623	2,410,249	1,526,929
.UK Programme	6	213,758	85,908	299,666	370,527
		<u>538,384</u>	<u>2,171,531</u>	<u>2,709,915</u>	<u>1,897,456</u>
Total expenditure		<u>708,605</u>	<u>2,171,531</u>	<u>2,880,136</u>	<u>2,038,070</u>
Net income/(expenditure)		29,481	(149,870)	(120,389)	(32,007)
Transfer between funds		(6,321)	6,321	-	-
Net movement in funds		23,160	(143,549)	(120,389)	(32,007)
Fund balances brought forward at 1 January 2017		200,391	237,672	438,063	470,070
Fund balances carried forward at 31 December 2017		<u><u>223,551</u></u>	<u><u>94,123</u></u>	<u><u>317,674</u></u>	<u><u>438,063</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 2017

	Notes	£	2017	£	£	2016	£
FIXED ASSETS							
Tangible assets	8			11,561			3,274
CURRENT ASSETS							
Debtors	9	5,567			14,300		
Cash at bank and in hand		332,202			617,884		
				<u>337,769</u>			<u>632,184</u>
CREDITORS: amounts falling due within one year	10	(31,656)			(197,395)		
NET CURRENT ASSETS				<u>306,113</u>			<u>434,789</u>
NET ASSETS				<u>317,674</u>			<u>438,063</u>
Unrestricted funds	11			223,551			200,391
Restricted funds	12			94,123			237,672
				<u>317,674</u>			<u>438,063</u>

The financial statements were approved and authorised for issue by the trustees on 2018 and signed on their behalf by:

.....
Clive Sheldon QC
Chairman

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

NEW ISRAEL FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017		2016	
	£	£	£	£
Cash flows from operating activities:				
<i>Net cash provided by (used in) operating activities</i>		(273,267)		109,719
Cash flows from investing activities:				
Interest from investments	222		298	
Purchase of property, plant and equipment	(12,637)		(2,742)	
<i>Net cash provided by (used) in investing activities</i>		(12,415)		(2,444)
Change in cash and cash equivalents in the reporting Period		(285,682)		107,275
Forex gain				35,458
Cash and cash equivalents at the beginning of the reporting period		617,884		475,151
Cash and cash equivalents at the end of the reporting period		332,202		617,884
Reconciliation of net income/(expenditure) to net cash flow from operating activities			2017	2016
			£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)			(120,389)	(32,007)
Adjustments for:				
Forex			-	(35,438)
Depreciation charges			4,350	1,738
Interest from investments			(222)	(298)
(Increase)/decrease in debtors			8,733	(1,742)
(Decrease)/increase in creditors			(165,739)	177,486
Net cash provided by/(used) in investing activities			(273,267)	109,719
Analysis of cash and cash equivalents			2017	2016
			£	£
Cash in hand			332,202	617,884
Total cash and cash equivalents			332,202	617,884

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

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

Basis of accounting

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

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

Going Concern

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

Incoming resources

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

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

Resources expended

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

Pension costs

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

Funds

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

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

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

Foreign currencies

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

Tangible fixed assets

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

Computers and equipment - 3 years

Debtors

Other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

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

Creditors and provisions

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

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Individual donors	633,392	664,422
Trusts and Corporate donors	2,126,133	1,305,885
	<u>2,759,525</u>	<u>1,970,307</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

3. NET INCOME FOR THE YEAR			2017	2016
			£	£
The net income for the year is stated after charging:				
Depreciation			4,350	1,738
Auditor's remuneration:				
Audit			7,400	7,200
Other			-	500
Operating lease pa charge			14,325	14,000
			<u>14,325</u>	<u>14,000</u>
4. INCOME FROM INVESTMENTS			2017	2016
			£	£
Bank interest receivable			222	298
			<u>222</u>	<u>298</u>
5. ISRAEL PROJECTS EXPENDITURE			2017	2016
			£	£
Grants:				
Shared Society			1,253,328	340,906
Human Rights and Democracy			488,304	618,231
Religious Freedom			44,694	38,471
Social and Economic Justice			572,461	428,227
Israeli-Arab Society			18,543	79,306
			<u>2,377,330</u>	<u>1,505,141</u>
Total grants payable			2,377,330	1,505,141
Grant support costs			32,919	21,788
			<u>32,919</u>	<u>21,788</u>
			<u>2,410,249</u>	<u>1,526,929</u>
6. ANALYSIS OF TOTAL RESOURCES EXPENDED				
	Direct	Allocated	2017	2016
	Costs	Costs	Total	Total
	£	£	£	£
Raising funds	72,344	97,877	170,221	140,615
Charitable activities:				
Israel Projects	2,377,330	32,919	2,410,249	1,526,929
UK Programme	109,963	189,703	299,666	370,527
	<u>2,559,637</u>	<u>320,499</u>	<u>2,880,136</u>	<u>2,038,071</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

7. STAFF COSTS	2017	2016
	£	£
Wages and salaries	222,907	223,938
Social security costs	19,894	19,629
Pension costs	894	-
	<u>243,695</u>	<u>243,567</u>

Staff costs of £16,576 (2016: £9,121) are charged to Israel Projects, £149,959 (2016: £141,722) to UK Programme and £77,160 (2016: £92,724) to costs of generating funds.

The average monthly number of employees engaged in the activities of the Charity during the year was 6 (2016: 6). One employee had emoluments (including benefits in kind) between £70,001 and £80,000 in the year (2016: one between £70,001 and £80,000).

8. TANGIBLE FIXED ASSETS	Computers and equipment
	£
Cost	
At 1 January 2017	13,898
Additions	12,637
Disposal	-
At 31 December 2017	<u>26,535</u>
Depreciation	
At 1 January 2017	10,624
Charge for the year	4,350
Disposal	-
At 31 December 2017	<u>14,974</u>
Net Book Value	
At 31 December 2017	<u>11,561</u>
At 31 December 2016	<u>3,274</u>

9. DEBTORS	2017	2016
	£	£
Other debtors and prepayments	<u>5,567</u>	<u>14,300</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

10. CREDITORS: amounts falling due within one year	2017 £	2016 £
Trade creditors	5,533	3,607
Other taxes and social security	9,219	5,838
Accruals & Deferred Income (see below)	16,695	186,893
Net wages (expenses)	210	1,057
	<u>31,656</u>	<u>197,395</u>

Analysis of deferred income:

	2017 £	2016 £
Deferred income at 1 January	179,693	-
Applied during the year	4,523	179,693
Released during the year	(179,693)	-
Deferred income at 31 December	<u>4,523</u>	<u>179,693</u>

Deferred Income totalled £4,523 relating to income received in advance of a 2018 visit to Israel for donors to see how their money helps to make a difference. In 2016, totalled deferred income was £179,693 and relates to donations where, due to specific time restrictions, no entitlement to the income was met at the year end. £174,693 from 2016 relates to a donation from Amberstone Trust, a Trust with a common trustee.

11. NET ASSETS BY FUNDS	Unrestricted £	Restricted £	2017 £	2016 £
Balance at 1 January 2017	200,391	237,672	438,063	470,070
Net movement in funds	23,160	(143,549)	(120,389)	(32,007)
Balance at 31 December 2017	<u>223,551</u>	<u>94,123</u>	<u>317,674</u>	<u>438,063</u>
Represented by:				
Tangible fixed assets	11,561	-	11,561	3,274
Debtors	5,567	-	5,567	14,300
Cash	236,339	95,863	332,202	617,884
Creditors	(29,916)	(1,740)	(31,656)	(197,395)
Total funds	<u>223,551</u>	<u>94,123</u>	<u>317,674</u>	<u>438,063</u>

COMPARATIVE FUNDS

	Unrestricted £	Restricted £	2016 £	2015 £
Balance at 1 January 2016	231,654	238,416	470,070	389,307
Net movement in funds	(31,263)	(744)	(32,007)	80,763
Balance at 31 December 2016	<u>200,391</u>	<u>237,672</u>	<u>438,063</u>	<u>470,070</u>
Represented by:				
Tangible fixed assets	3,274	-	3,274	2,270
Debtors	14,300	-	14,300	12,558
Cash	202,736	415,148	617,884	475,151
Creditors	(19,919)	(177,476)	(197,395)	(19,909)
Total funds	<u>200,391</u>	<u>237,672</u>	<u>438,063</u>	<u>470,070</u>

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

12	RESTRICTED FUNDS	As at 01-Jan 2017 £	Income £	Expenditure £	Transfers	As at 31-Dec 2017 £
	Donor Advised Grants Fund	237,672	1,721,446	(1,868,549)	3,554	94,123
	Special Projects Fund	-	300,215	(302,982)	2,767	-
	Balance at 31 December 2017	<u>237,672</u>	<u>2,021,661</u>	<u>(2,171,531)</u>	<u>6,321</u>	<u>94,123</u>

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

13. STATUS

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

14. OPERATING LEASES

A 5 year operating lease in respect of Land and buildings was entered into on November 2016. At the end of the year total commitments' payable were:

	2017 £	2016 £
Amounts due:		
Within one year	14,917	14,000
Between two and five years	28,175	42,583
	<u>43,092</u>	<u>56,583</u>

15. RELATED PARTIES

Total remuneration of key management personnel for the year was £83,881 (2016: £79,828).

None of the Trustees received any emoluments during the year (2016 - none). No expenses were reimbursed to Trustees while on the charity's business during the year (2016 - none). Trustee indemnity insurance paid in the year was £1,059 (2016: £1,051).

Total Donations received from trustees and other persons considered to have significant influence, including those Trusts and Foundations where the trustees and key management personnel can be considered to have significant influence on the donations was £468,017 (2016: £264,387).

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

NEW ISRAEL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

16 FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Cash	332,202	617,884
Financial assets measured at amortised cost (a)	3,711	3,661
Financial liabilities measured at amortised cost (b)	(22,437)	(191,557)
	<u>313,476</u>	<u>429,988</u>
Net financial assets/(liabilities) measured at amortised cost	<u><u>313,476</u></u>	<u><u>429,988</u></u>

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

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