

NEW ISRAEL FUND AUSTRALIA FOUNDATION

ABN: 70151140377

**Financial Report For The Year Ended
31 December 2012**

New Israel Fund Australia Foundation

ABN: 70151140377

Financial Report For The Year Ended 31 December 2012

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NEW ISRAEL FUND AUSTRALIA FOUNDATION
ABN: 70151140377
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2012.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Irving Harry Wallach
Ric Samuel Benjamin
Liam Max Getreu
Robin Fabian Margo
Mandi Katz
Lee Ann Bassier appointed (24/04/2012)
Anthony Hollis appointed (24/04/2012)
Ilona Lee appointed (24/04/2012)
Karen Loblay appointed (24/04/2012)
Steven Glass

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the entity during the financial year was:

- raising financial and other resources to support its programmes and priorities and those of the New Israel Fund;
- increasing the awareness and interest of individuals, communities, business and government of the importance of, and issues pertaining to human rights, equality, tolerance, diversity, reconciliation and peace;
- stimulating and fostering desire by individuals and communities to do right in the world, to combat human rights abuses, racism and racial stereotyping, and to contribute to social inclusion, respect, and dignity of each other and of others less fortunate;
- sharing learning (both domestic and international) on how to combat and reduce human rights abuses and the effects of such abuses;
- advancing education about the natural environment and cooperation to protect it;
- cooperating with other organisations that share a common purpose with the company; and
- providing internships, seminars, study tours and exchange opportunities

Short-term and Long-term Objectives

The company's short term objectives are to:

- to raise funds to support programs that protect and promote human rights, advance community and social welfare, access to justice and education and the protection of the natural environment;
- to undertake educational programs and campaigns that advance and strengthen democracy, tolerance for diversity and principles of equality of opportunity;
- to actively collaborate and build partnerships with other organisations to promote reconciliation, conflict resolution, religious and racial harmony.

The company's long term objectives are to:

- to protect and promote the human rights, fundamental freedoms and dignity of all people including civil, political, social, economic and cultural rights, with a focus on women, children and people with disability;
- to advance community and social welfare, with a focus on promoting self-determination, reducing poverty and advancing access to justice, education and affordable housing and health care;
- to advance education about, and cooperation in the protection of, the natural environment;
- to advance and strengthen democracy, tolerance for diversity and principles of equality of opportunity and antidiscrimination;
- to promote reconciliation, conflict resolution, religious and racial harmony and mutual respect; and
- to advance peace and good community relations.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Attract and retain staff and volunteers who are committed to working towards the advancement of our objectives. This strategy will ensure that the organisation's key objectives remain the motivator for all our programs and initiatives. This strategy will be measured by the rate of staff/volunteer turnover.
- To increase the number of relevant program areas. This strategy will ensure that the organisation is taking a holistic view of our

NEW ISRAEL FUND AUSTRALIA FOUNDATION
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DIRECTORS' REPORT

objectives by looking at issues of appropriate funding, the type and scope of educational programs. This strategy will be measured the creation of programs addressing these issues and stakeholder feedback as to their efficacy and relevance.

- To increase the number of collaborations. This strategy will enable the organisation to demonstrate the bi-directional benefits of collaboration in the promotion of our objectives. This strategy will be measured by the number of collaborations and stakeholder feedback as to their efficacy and relevance.

Information on Directors

Irving Harry Wallach	—	NIFAF board member
Qualifications	—	Bachelor of Laws (Ll. B.)
Ric Samuel Benjamin	—	NIFAF Hon Treasurer, member of fundraising committee
Qualifications	—	BA, Dip Ed, MBA (Executive)
Liam Max Getreu	—	NIFAF Executive Director, member of finance committee, member Melbourne and Sydney committees
Qualifications	—	BA (Deakin University)
Robin Fabian Margo	—	NIFAF President, Chairperson of board of directors
Qualifications	—	BA LLB (Rand) MA (Oxon)
Mandi Katz	—	Member of communication and events committee
Qualifications	—	BA LLB
Lee Ann Basser	—	NIFAF board member
Qualifications	—	LLM (Lond) LLB (Mon) BA (Mon)
Anthony Hollis	—	NIFAF board member, Governance and mentoring advice
Qualifications	—	BA LLB
Ilona Lee	—	Chair of Fundraising committee NIFAF
Qualifications	—	BA, Grad Dip. Adult Ed.
Karen Loblay	—	Member of Fundraising committee
Qualifications	—	Master of Architectural Design
Steven Glass	—	NIFAF board member
Qualifications	—	BSc LLB (UNSW) LLM (Usyd)

Meetings of Directors

During the financial year, ten meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Irving Harry Wallach	10	7
Ric Samuel Benjamin	10	8
Liam Max Getreu	10	9
Robin Fabian Margo	10	9
Mandi Katz	10	9
Lee Ann Basser	7	1
Anthony Hollis	7	6
Ilona Lee	7	5
Karen Loblay	7	7
Steven Glass	7	5

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2012 has been received and can be found on page 4 of the financial report.

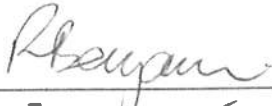
Signed in accordance with a resolution of the Board of Directors.

NEW ISRAEL FUND AUSTRALIA FOUNDATION

ABN: 70151140377

DIRECTORS' REPORT

Director



Dated this

[day] 23 day of 5 [month] 2013

AUDITOR'S INDEPENDENCE DECLARATION FOR THE YEAR ENDED 31 December 2012

As lead auditor for the audit of New Israel Fund Australia Foundation for the year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of New Israel Fund Australia Foundation.



MELANIE J LEYDIN
Registered Company Auditor
Registration: 212298

Dated: 23 May 2013

NEW ISRAEL FUND AUSTRALIA FOUNDATION
ABN: 70151140377
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012	2011
		\$	\$
Revenue	2	10,000	94,191
Other income	2	142,056	24,478
Audit, legal and consultancy fees		(49,901)	(24,873)
Marketing expenses		(4,550)	(2,880)
Fundraising expenses		(7,743)	(703)
Disbursement of funds		(74,906)	-
Sundry expenses		(57,775)	(3,689)
Current year surplus before income tax		(42,819)	86,524
Income tax expense			
Net current year surplus		(42,819)	86,524
Other comprehensive income:			
Other comprehensive income for the year			
Total comprehensive income for the year		(42,819)	86,524
Net current year surplus attributable to members of the entity			
Total comprehensive income attributable to members of the entity		(42,819)	86,524

The accompanying notes form part of these financial statements.

NEW ISRAEL FUND AUSTRALIA FOUNDATION
ABN: 70151140377
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	40,011	83,315
Accounts receivable and other debtors	4	3,694	3,209
TOTAL CURRENT ASSETS		<u>43,705</u>	<u>86,524</u>
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>43,705</u>	<u>86,524</u>
LIABILITIES			
CURRENT LIABILITIES			
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>-</u>
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>
NET ASSETS		<u>43,705</u>	<u>86,524</u>
EQUITY			
Retained surplus		43,705	86,524
Reserves		<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>43,705</u>	<u>86,524</u>

The accompanying notes form part of these financial statements.

NEW ISRAEL FUND AUSTRALIA FOUNDATION
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		142,056	24,478
Payments to suppliers and employees		(198,569)	(35,354)
Other organisations grants		10,000	94,191
Interest paid		-	-
Net cash generated from operating activities		<u>(46,513)</u>	<u>83,315</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash used in investing activities		<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(46,513)	83,315
Cash and cash equivalents at the beginning of the financial year		83,315	-
Cash and cash equivalents at the end of the financial year	3	<u>36,802</u>	<u>83,315</u>

The accompanying notes form part of these financial statements.

NEW ISRAEL FUND AUSTRALIA FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

The financial statements cover New Israel Fund Australia Foundation as an individual entity, incorporated and domiciled in Australia. New Israel Fund Australia Foundation is a company limited by guarantee. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

New Israel Fund Australia Foundation receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(c) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(f) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(g) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

- AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the Company is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the Company will take advantage of Tier 2 reporting at a later date.

- AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes - Recovery of Revalued Non-depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Company.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements [August 2011], AASB 128: Investments in Associates and Joint Ventures [August 2011] and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

AASB 10 replaces parts of AASB 127 [March 2008, as amended] and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Company has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either 'joint operations' (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures' (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a 'structured entity', replacing the 'special purpose entity' concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Company.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Company.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Company.

- AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Company.

- AASB 119: Employee Benefits [September 2011] and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013)

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 [September 2011] also includes changes to:

- (a) require only those benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- (b) the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
 - (i) for an offer that may be withdrawn – when the employee accepts;
 - (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions – when the related restructuring costs are recognised.

The company has not yet been able to reasonably estimate the impact of these changes to AASB 119.

Note 2 Revenue and Other Income

	2012 \$	2011 \$
Revenue from (non-reciprocal) government grants and other grants		
— Other organisations	10,000	94,191
	<u>10,000</u>	<u>94,191</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Other revenue

Total revenue

Other income

— Income from raffles

— Charitable Income and Fundraising

Total other income

Total revenue and other income

	-	-
	10,000	94,191
	1,818	-
	140,238	24,478
	142,056	24,478
	152,056	118,669

Note 3 Cash and Cash Equivalents

	2012 \$	2011 \$
CURRENT		
Cash at bank - unrestricted	40,011	83,315
Cash float	-	-
Total cash and cash equivalents as stated in the statement of financial position	40,011	83,315

Note 4 Accounts Receivable and Other Debtors

	2012 \$	2011 \$
CURRENT		
GST	3,694	3,209
Total current accounts and other receivables	3,694	3,209

	2012 \$	2011 \$
Financial Assets		
Cash and cash equivalents	40,011	83,315
Accounts receivable and other debtors	3,694	3,209
Total Financial Assets	43,705	86,524

Financial Liabilities

Total Financial Liabilities

	-	-
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	2012 \$	2011 \$
Cash and cash equivalents		
— AA Rated	40,011	83,315
	40,011	83,315

		2012		2011	
	Footnote	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	40,011		83,315	
Accounts receivable and other debtors	(i)	3,694		3,209	
Total financial assets		43,705	-	86,524	-
Financial liabilities					
Total financial liabilities		-	-	-	-

NEW ISRAEL FUND AUSTRALIA FOUNDATION

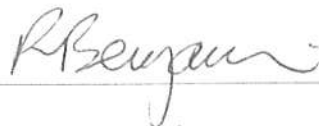
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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of New Israel Fund Australia Foundation, the directors declare that:

1. The financial statements and notes, as set out on pages 5 to 11, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with international financial reporting standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Dated this

23

day of

5.

2013

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF New Israel Fund Australia Foundation

Scope

Report on the Financial Report

We have audited the accompanying financial report of New Israel Fund Australia Foundation., which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of New Israel Fund Australia Foundation., would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of New Israel Fund Australia Foundation. is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Yours faithfully



MELANIE J LEYDIN
Registered Company Auditor
Registration: 212298

Dated: 23 May 2013