

Integrated Education Fund

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Period ended 31 March 2017

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1. OPERATING CONTEXT FOR THE YEAR

The year 2016/17 year was a significant one for the Integrated Education Fund (IEF). It was the Fund's first year as a limited company (please see 2.2). And it was also the year in which the Fund was reaching the conclusion of its latest campaign – *Opening Minds*. The campaign presented a vision for the future of education in Northern Ireland based on achievable structural change and placing communities at the heart of education planning. It put funding programmes in place to strengthen integrated schools which were in a position to grow, and facilitated political and community debate about the future of the education system. This work, combined with the use of strategic litigation by Drumragh Integrated College, helped to define this crucial period of change. It also contributed to the publication of an Independent Review of Integrated Education commissioned by the Department of Education. Moreover, for the first time in its history, integrated education would also be incentivised financially through the Fresh Start Agreement signed by the Northern Ireland Executive and supported by the UK Government.

The Department of Education's legal statutory duty to encourage and facilitate the development of integrated education was strengthened through the Treacy Judgment following the Judicial Review taken by Drumragh Integrated College. The practical consequences of this positive ruling contributed to over 23 school development proposals being approved for increased growth between December 2013 and February 2017. The £500million fund for capital investment for shared and integrated education included in the Fresh Start Agreement would also pave the way for 18 capital schemes in integrated schools. Two schools would also hold successful parental ballots as part of the transformation process, becoming integrated schools from September 2016.

Despite these major advances, political stalemate has yet again posed enormous challenges to our work. The collapse of the locally elected Stormont Executive took place in January 2017 and may result in yet another Assembly election. A consequence of this would mean no Education Minister being in place to receive the Independent Review and its recommendations. It would also place a question mark over the future of the Fresh Start Agreement capital funding.

Regardless of political obstacles, the Fund will continue to work to ensure the issue of integrated education remains firmly on the agenda. Our new Integrate My School initiative, designed to empower parents, will enable individuals and local communities to have their say and provide a way to register their support for their schools to become integrated.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1 Mandate

The mandate of the IEF is derived from the expressed demand of parents and individual schools who seek integrated education for their children and pupils.

2.2 Governing document

The Integrated Education Fund (IEF) was established in 1992 as a charitable trust to provide a financial foundation for the development and growth of integrated education in Northern Ireland. Until April 2016 it was governed by its Deed of Trust, dated 17 February 1992. In early 2016 the IEF completed the process of incorporation. This new incorporated status gives the Fund a stronger, more secure legal identity.

From 01 April 2016 the IEF has been operating as a charitable company limited by guarantee. It is registered with Companies House (NI636289), has received a new registration number from the Charity Commission for Northern Ireland (NIC104886) and is recognised as a charity for tax purposes under HMRC reference NI00545.

2.3 Board of Directors

The Fund is managed by a Board of Directors which currently has 14 members and can have up to 15. Each Director may serve for three years after which period they may put themselves forward for re-appointment for a second or further term, however no member may serve longer than six years or, if so resolved by all the then Directors in accordance with the Memorandum and Articles of Association, nine years continuously.

The Board meets on an annual basis to agree the broad strategy and areas of activity for the Fund, and meets up to eleven times per year for the consideration of the Fund's activities including grant making; advocacy work; fundraising; investment; reserves, risk management and other policies and procedures; and performance.

The Board keeps the skill requirements for Directors under review and in the event of a vacancy arising on the Board, or if any additional new Directors are required, methods such as advertising (eg via the IEF website or by direct mailing to all integrated schools), or personal referral are used to recruit new members. The ultimate decision on selection is a matter for the Board.

During 2016/17 Philip Scott retired from the Board, and four new members joined – Roderick Downer, Richard Lemon, Michael McKernan and Ellen McVea.

The IEF works closely with the Northern Ireland Council for Integrated Education at all levels with, for example, the two Chairs meeting on a quarterly basis, and the Chief Executive Officers also meet every month for updating and discussion of current issues.

2.4 Director induction and training

The induction process for any newly-appointed Director comprises an initial meeting with the Chair and the Chief Executive, followed by a series of briefing meetings with key members of staff. The financial structure of the Fund, the major gift fundraising campaign, the advocacy campaign, the grant making process, the Board and decision making processes, current issues, policies and the strategy and recent financial performance of the charity are discussed in detail. Any training needs are also discussed.

2.5 Organisation and committees

The Board administers the charity; the day to day operations of the IEF are managed by the Chief Executive, appointed by the Board, and her staff. To facilitate effective operations the Board has delegated authority to the Chief Executive for operational matters including finance, human resources etc.

The Board has delegated specific powers to a small number of committees:

- ◆ The Grants Committee has been delegated powers to consider in detail applications to the IEF for funding and to make recommendations to the full IEF Board. The Committee also develops new

grant programmes, as funding becomes available, to ensure that the most critical needs of schools and groups are addressed, and that the programmes have maximum impact and deliver maximum value for money. The Committee is made up of five Directors and the Chief Executive.

◆ The Advocacy Working Group has been set up by the IEF Board to drive forward change by overseeing the work being carried out in relation to communications, public relations, public affairs and community engagement. It is made up of six current Directors, one former Director and the Chair of the Campaign Council.

◆ The Staffing Committee has been delegated responsibility for ensuring compliance with IEF policies and procedures, and compliance with legal requirements, with regard to staffing, and to make recommendations to the Board as appropriate. The Committee is made up of two Directors, the Chief Executive and the Head of Operations. The day-to-day management of Human Resources is delegated to the Head of Operations.

◆ The Risk Management Committee, on behalf of the Board, identifies and assesses risks to the IEF, and reviews the controls which are in place. The Committee is made up of three Directors including the Chair and Treasurer, and the Chief Executive and the Head of Operations.

These four committees meet as often as is required.

In addition to the Board of Directors and its committees, the IEF also has a Campaign Council to provide advice and guidance for its major gift fundraising campaign. David Montgomery is President of the campaign, and the Council is chaired by Baroness May Blood and serviced executive by the Fund's Chief Executive and Head of Campaign. The campaign is further supported by volunteers in London and Belfast.

2.6 Pay policy for senior staff

The Board of Directors considers Directors and the Senior Management Team to be the key management personnel of the charity in charge of directing and controlling, running and operating the IEF on a day to day basis. All Directors give of their time freely and no Director received remuneration in the year. Details of Director expenses are disclosed in Note 17 to the accounts.

In view of the nature of the charity and its economy of operations, the Directors benchmark staff salaries both against NJC payscales and other charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. NJC payscales are local government payscales extensively used in the voluntary and community sector. They result from negotiations between trade unions and Local Government Employers and any agreed increase in the rates of pay are reflected in IEF salaries. Senior, and all other staff, also receive annual increments, subject to a satisfactory annual appraisal, until they reach the top of their particular pay band. The total number of staff in the year was 12.

2.7 Risk management

The Board of Directors is responsible for the management of risks faced by the Integrated Education Fund. Detailed consideration of risk is delegated to the Risk Management Committee.

Risks are identified and assessed, and controls are established throughout the year. A formal review of the charity's risk management processes, including the risk register, is undertaken on an annual basis.

The key controls used by the IEF include:

- established organisational and governance structure and lines of reporting
- detailed terms of reference for all committees
- comprehensive financial planning, budgeting and management accounting
- formal written policies and hierarchical authorisation and approval levels
- regular review of current risks to the Fund

Through the risk management processes established for the Fund, Directors are satisfied that the major risks identified are being adequately managed. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

As part of ongoing risk management, and as important aspects of best practice, monitoring and evaluation are used by the IEF. As well as internal monitoring and controls, external evaluations of various aspects of the Fund's work are carried out by evaluators experienced in these fields.

The IEF Grants Committee carries out an annual appraisal of programmes, with regular external evaluations as required, depending on the size, scope and timescale of the programmes.

The firm of Finegan Gibson, responsible for the annual financial audit of the IEF, also reports to the IEF Board on, for example, any Audit and Financial Reporting Issues and Internal Controls in order to meet the mandatory requirements of International Standards on Auditing (UK and Ireland).

3. OBJECTIVES AND ACTIVITIES

3.1 Purposes of the charity

The purposes of the Integrated Education Fund are the furtherance of integrated education in Northern Ireland whether directly or indirectly and by any lawful and charitable means.

The Directors confirm that they have referred to the Charity Commission's guidance on public benefit when implementing the Fund's strategic plan, reviewing its objectives and planning future activities.

3.2 Strategic plan

The IEF was established for the furtherance of integrated education in Northern Ireland. Integrated education brings together in each school, pupils, staff and governors from both the Protestant and Catholic traditions. The integrated school provides a learning environment where children and young people from these backgrounds, as well as those of other faiths and none, can learn with, from and about each other. The children learn together, side by side, in the same classrooms each day. Integrated schools are open to all and are all-ability. The ethos of integrated education includes the development of skills, structures and relationships that enable schools, pupils and their parents, staff and governors and the wider community to increase their understanding, acceptance and respect for political, cultural and religious difference. When the first integrated schools were established, the focus was primarily on the Protestant and Catholic traditions; the growth in minority

faiths and the development of greater cultural diversity in Northern Ireland means that, today, the promotion of equality and good relations extends to everyone in the school and to their families regardless of their religious, cultural or social background. The contribution of integrated education to a more reconciled society was recognised in legislation in the 1989 Education Reform Order and furthermore in 1998 with the Good Friday/Belfast Agreement, an Agreement endorsed by the majority of citizens in Northern Ireland. However, as Northern Ireland moves through this transition from conflict through sustained peace and toward a stable society, the IEF is still needed because there is inadequate statutory planning for the development of integrated education, and insufficient places to meet parental demand.

Northern Ireland maintains a system that educates its children separately, both by religious background and measurements of ability. Approximately 90% of pupils from both main traditions in Northern Ireland, Protestant and Catholic, remain in schools that largely or exclusively educate only one side of the community. Northern Ireland also maintains a largely separate system of teacher training. Consequently, pupil interactions are mostly with peers, teachers and others from their own community, with limited opportunity to explore and engage with other beliefs and attitudes. Only 65 schools are formally integrated and there are even fewer schools with a significant religious mix. Without change, the vast majority of parents will never have the opportunity for their children to be educated together. The IEF recognises that all schools must be able to play a part, whether through moving to formal integrated status, through increased meaningful shared education between schools of a different ethos, or by all schools being inclusive spaces in policy and practice.

Children educated together can become better prepared for the increasingly global world we all live in - prepared to expect, understand and embrace difference.

Through the IEF's strategic plan for 2014 – 17, *Opening Minds*, the Fund seeks to seize the opportunities presented by the changing societal, educational and economic context in Northern Ireland.

The IEF's specific objectives for the three years are to:

- Strive to secure access to integrated education for those who choose it through the growth and development of integrated school places in response to parental demand and the securing of an initial 10% of all school places
- Support innovative programmes of integration which facilitate the building of trust, mutual respect and appreciation for diversity between different schools, as well as supporting work associated with minority ethnic pupils and challenging racism and sectarianism.
- Secure increased wide ranging civic support to bring about policy and structural change in education to increase the number of integrated places and influence policy towards a unified education system.
- Raise £5.355million to deliver on these objectives

Northern Ireland cannot afford to wait to change how we educate our children. The cost of inaction will mean another generation of children growing up with limited contact with the 'other community' and limited experience of diversity. In the ways outlined in this report we seek to open minds to the benefits of educating our children together. It needs to be the norm – not the exception.

The main activities undertaken to achieve the Fund's objectives are in terms of grant making, fundraising, and advocacy.

4. ACHIEVEMENTS AND PERFORMANCE

4.1 Grant making - Effective funding programmes

In order to support the growth in integrated school places to an initial 10% as well as support innovative programmes of integration, the IEF promotes and manages a number of grant programmes, each with its own criteria against which applications are assessed and grants made.

4.1.1 Existing integrated schools

In 2016/17 the particular focus has been on the integrated schools which have had their Development Proposals for growth approved by the Department of Education. In total, in 2016/17, seven Development Proposals have been approved, and none have been rejected. And the record number of submissions is set to continue in the forthcoming academic year.

The approvals for increased places and provision are a recognition and acknowledgment of the ongoing demand from parents for more integrated school places. Unfortunately, the approvals bring with them financial challenges for those schools as full Department funding is not provided. Integrated schools have faced these financial 'growing pains' for some years now and the annual impact of the lost funding is starting to bite as most schools have used their reserves to fund the salaries for extra teachers while they waited for the Department to resolve the issue. As a change in policy is required, only an Education Minister can take the necessary decision – however, two Education Ministers have come and gone, and each has chosen not to act.

To indicate the scale of the problem, additional funding for an integrated primary school which is approved for double enrolment, is calculated using a threshold of 5% or 10 pupils (whichever is lesser). On an annual basis the school loses funding for 10 pupils for a period of seven months (September to March), i.e. approximately £17k per annum. Over a seven year timeframe for a double enrolment to reach maturity the school would lose approximately £119k. There are now five integrated primary schools and seven integrated colleges losing funding due to this situation.

The IEF through its grant programmes and the generosity of donors, has been able to step in to support some of the schools struggling with these challenges, and we are also encouraging those schools affected to pursue the matter through all available channels at the Department of Education, the Education Authority and the Assembly.

The IEF also provides support as schools face other challenges, as each school is at a different stage in terms of growth and so the level and type of support needed varies from school to school. For example, pre-school development is recognised as being crucial for growth. In the case of Enniskillen IPS, whilst this school has approved double enrolment in the school itself, they still do not in the pre-school. In the case of Mill Strand IPS, they still do not have double enrolment in the school or the pre-school. The IEF has been pleased to be able to support both of these schools and we are very grateful to individual donors who have supported the approved growth in these and three other individual schools this year.

4.1.2 Schools considering transforming

The Fund is continuing to work with four schools considering transformation. Each school will take whatever length of time is appropriate for their particular circumstances to consider what integration would mean for them. Grants from the IEF enable teachers, governors, parents and the wider school community to be involved in the process of deciding what they want for their school. Some schools may decide not to continue the journey to transformation.

4.1.3 Transformed integrated schools

Funding for Mallusk and Loughries Primary Schools, which transformed in September 2015, and Killyleagh Primary School which transformed in September 2016, has enabled the schools to publicise their new status and encourage enrolments from the wider community.

4.1.4 Parent groups seeking integrated education provision

The IEF's Parental Engagement Campaign has become much more focussed this year, with two important distinct elements: outreach work and the Integrate My School website.

The outreach work provides ongoing help to local community groups with holding public meetings and using micro polls to gauge local opinion. Information stands continue to be very successful at large events including the Belfast Mela and Balmoral Show along with other rural agriculture shows. The stands provide parents with opportunities to find out more about integrated education, integrated schools in their own area, and the new Integrate My School website.

The Integrate My School website helps parents who want an integrated education for their children but have no integrated provision in their area. On the website, the steps in the transformation process are clearly explained and parents have the opportunity to register that they want their school to transform. Once enough parents register that this is what they want then their school will give all parents the opportunity to vote – a school will only transform if that is what the majority of parents want - a school for the entire local community, welcoming children from both Protestant and Catholic backgrounds, and those from other cultures and traditions – all educated together.

4.1.5 Integrated AlumNI

The Integrated Schools Alumni Association, now known as the Integrated AlumNI, is a network of past pupils of integrated and other schools. There are active groups in Northern Ireland as well as London, Edinburgh and Liverpool. The association are using funding from the IEF, the Open Society Foundations and the Belfast Trust for Integrated Education (BELTIE) to provide structured support for each area, recruit more members and develop their advocacy work over the coming months. The key event, now in its second year, is a School Roadshow when the AlumNI members go 'back to school' to talk to sixth formers about third level education and their possible career paths. The number of colleges involved increased from 7 in the first year to 9 this year and the AlumNI again received a lot of positive feedback from the colleges and the students involved.

4.1.6 The Trust Programme

The Trust Programme, in its second grant round, provided a total of £54k to 15 schools across the three different strands of the programme. Most applications were to the 'Integration in Practice' strand for schools wishing to further develop and embed the ethos and practice of integration within their own school. Some integrated schools wanted to 'Work with their local school' to explore diversity and to enhance good practice. The third round of the programme has now been launched, offering the Integration in Practice element only, as this was the most over-subscribed element in the previous two rounds. Nineteen applications have been received requesting a total of £88k.

4.1.7 Restricted and other grants

As well as providing financial support to schools and projects through its various grant making programmes, the IEF also administers restricted donations received for specific purposes. For example, the McGrath Trust and the Carson family provided funding to enable the launch of the Integrate My School Campaign with the endorsement of Liam Neeson, the Magheramorne Foundation supported the provision of an additional teacher for Rowandale Integrated Primary

School and the Turnaround Foundation supported three projects at Portaferry Integrated Primary School, Hazelwood Integrated College and Killyleagh Integrated Primary School.

The Carson Awards are also funded by restricted donations; the Carson family are long-standing, active supporters of integrated education and the Awards give students in integrated schools an opportunity to develop and display their creative skills through bursaries and a prize competition.

Through the project 'Enabling and Empowering Integrated Education', funded through the Open Society Foundations, the IEF was able to provide support for a number of areas, for example, the creation of the Integrate My School website for parents, strengthening the development and growth of the Integrated Schools Alumni Association and an analysis of the process and outcomes following Drumragh Integrated College's use of strategic litigation.

The IEF is continuing with its work on developing a community consultation model which can provide a better understanding of the main education and community relations issues in particular areas, as well as provide a platform for parents and communities to fully engage in the area based planning process. A second pilot has now been carried out, this time in the Clogher Valley area, which has been financially supported by the Open Society Foundations. The area was identified for the pilot due to its geographic location and current educational context, and it is hoped that the pilot will provide learnings both for the local community and the IEF. (See Pt 4.3.4 Community Consultation.)

4.2 Major gift fundraising – Supporting the growth and development of integrated education

Successful fundraising continues to underpin all aspects of the Fund's work.

The IEF's need to fundraise remains rooted in government failure to effectively plan for integrated education despite a statutory duty to 'encourage and facilitate'. Additional financial support is needed for working with parents, local communities and schools wanting to access integrated education. Parents need to know how they can create an integrated choice for their child and be supported with information and guidance. Communities need to know how their opinions can be considered when planning education in their local area. Transforming schools need to be helped on their journey to integrated status through additional training, practical support and marketing. All this work takes financial and practical support from the IEF.

To reach and exceed the financial targets set to achieve these objectives the Fund also needs to inspire new donors, retain the commitment of existing donors and present a clear and compelling case for support.

The IEF Campaign Council, chaired by Baroness May Blood, and comprising a number of the Fund's key donors and supporters, continues to meet twice per year. The Council provides invaluable advice and guidance to the Campaign, supporting the twin objectives of advocacy to change the segregated nature of our education system, and the funding of the IEF's grant making function which supports parents and schools on the ground.

The fundraising target for 2016/17 was £1.121 million and the following key actions were undertaken to achieve this target.

4.2.1 Planned events

The Fundraising Team organises and delivers on a series of planned enlistment and fundraising events to assist both prospect development and income generation.

In Northern Ireland, a special comedy night entitled “Stand Up for Integrated Education” took place at the Ulster Hall, Belfast in September 2016, featuring major local stars, Tim McGarry, Colin Murphy, David Meade and Neil Dougan together with Wendy Wason who flew in from London to support the event. With over 500 people attending, and sponsorship from Mervyn McCall and Tony Carson, the evening raised £7,180 net for the IEF and generated significant press and radio coverage.

The IEF was honoured to be chosen by the Mayor of Ards and North Down as one of her ‘Mayoral Charities’ alongside the local branches of the Samaritans and the RNLI. A number of events took place throughout the year including a Best of the Borough Concert, featuring local talent, a Clay Pigeon Shoot and a Table Quiz, to name but a few. The combined efforts of the Mayor and the charities means over £15,000 will be shared between the good causes.

The Fund was also involved in a number of special projects. In May 2016, the creative talent in integrated primary schools once again provided Garden Show Ireland with the eye catching Scarecrow Avenue. The 13 schools that participated, entered 22 scarecrows into the competition which was sponsored by Allianz and organised by the IEF, making integrated primary schools a talking point for visitors to the show in Antrim Castle Gardens.

In September 2016, the Carson Awards Showcase once again took place at Hazelwood Integrated College featuring the year’s Carson Award winners. The showcase, compered by acclaimed local actor Dan Gordon, included short film, artwork and musical performances from integrated primaries and colleges celebrating ‘what integration means to me’.

In Edinburgh in October 2016, the Consul General of Ireland to Scotland, Mark Hanniffy, hosted a special reception for the Fund and members of the Integrated AlumNI. Presentations from Head of Campaign, Paul Caskey, and Louise Madden from the AlumNI, informed guests about the work of the Fund and the impact of integrated education.

In November 2016, the newly appointed British Ambassador to Ireland, Mr Robin Barnett CMG, hosted a private dinner in his residence in Dublin to discuss integrated education. A number of new contacts were established which we hope will lead to new supporters.

In London, the now annual House of Lords ‘Thank you’ dinner with Baroness Blood was a great success. The November 2016 event, generously sponsored by the Carson family, attracted over 100 supporters where the special guest speakers included Janice Marshall from Drumlins Integrated Primary School and Ciareen McCluskey from the Integrated AlumNI.

In the United States, the work of the Fund was profiled by the Eithne and Paddy Fitzpatrick Memorial Fund during their Golf Day in May 2016 and, in October 2016, the Northern Ireland Fundraising Manager, Brian Small, attended the Kevin Curley Shamrock Shoot Out Golf Tournament in Dallas. This continued a long standing relationship between the tournament, the IEF and Cranmore IPS.

Internationally, the Fund continued to work closely with organisations like the worldwide Ireland Funds and the Irish American Partnership. We are greatly indebted to all our friends around the world who not only fund specific projects in integrated schools, but also promote integrated education and the work of the Fund whenever there is an opportunity.

Closer to home, we are grateful for the continuing support from the Irish Government through its Department of Foreign Affairs Reconciliation Fund for the work of the IEF.

4.2.2 New prospect development

Reaching out to potential new supporters is an essential part of our work as we seek to increase our fundraising and advocacy capacity. As well as our own fundraising and enlistment activities, the IEF attends events organised by the Northern Ireland Chamber of Commerce and Women in Business. In London, the IEF is often represented at the Irish International Business Network. This helps the IEF to network and introduce the cause to new groups.

4.2.3 Existing supporter development

The Fund benefits from a high level of support from its existing donor base for which it is very grateful. As well as personal meetings we use a number of different communication methods, such as our Learning Together newsletter, ezines, e-mail and social media to keep our supporters up to date and convey our appreciation. The annual sponsored House of Lords 'Thank you' dinner is a great way to show our gratitude and allow donors to hear first-hand from beneficiaries of the Fund's grant making.

4.2.4 Other trusts and foundations

Developing relationships with other trusts and foundations is a very important part of the Fund's work. The Open Society Foundations (OSF) have extended their support with a new grant entitled 'Enabling and Empowering Integrated Education' providing support for the new website for parents (Integrate My School), the Integrated AlumNI, and a community consultation as well funding for more Citizen Panel events aimed at discussing how we can work collectively to tackle racist and sectarian attitudes. OSF also provided support for the development of the Humaneyes initiative, and professional development training for teachers with a focus on anti-bias and anti-racism.

We also continue to work closely with the Pears Foundation who have extended their support with a further major contribution to the IEF's Trust Programme. This funding enables integrated schools to develop new integration in practice projects which make a vital contribution to their integrated and inclusive ethos.

The fundraising team aims to build on the above successes in the years ahead.

4.2.5 Gifts in kind

The IEF is indebted to the many people and organisations who provide support 'in kind'. Besides volunteering, we have many examples of people giving their time freely to speak and perform at our events, provide venues and hospitality free of charge for meetings and receptions, and donate items to benefit fundraising or indeed the schools directly. For example, this year five top entertainers gave their time freely to perform at the Stand Up for Integrated Education in September. Leyland Paint in Carrickfergus regularly donated paint to benefit a large number of the schools. Supporters such as Patrick Mitchell of Herbert Smith Freehills provided facilities for the launch of our Integrate My School Campaign in London and Hazelwood Integrated College provided use of the College for our Carson Awards Showcase. Terry Cross regularly provides gifts to benefit our fundraising events. There are too many people and organisations to list here but rest assured we are extremely grateful for such support.

4.3 Advocacy – Engaging at a political, educational and individual level

It is said a week is a long time in politics however, in Northern Ireland, the change of pace of the political landscape in terms of political progress is glacial. Last year we viewed with optimism the 'Fresh Start' Stormont House Agreement, which included a financial commitment of £500m over ten years of new capital funding to support shared and integrated education. Going into the 2016

Assembly election there was a sense of real change, all of the main parties with the exception of the DUP included policies on increasing integrated education provision in NI. With the election over and the political institutions established we welcomed the beginning of the Independent Review of Integrated Education and the submission of a Private Members Bill on Integrated Education by Alliance MLA, Kelly Armstrong.

A year on and the political institutions have collapsed, fresh elections have been held and once more there is a failure by the two main parties to establish a devolved Assembly.

It is within this political landscape that the Fund launched its Parental Engagement Campaign, a campaign that puts integrated education within reach of nearly every parent in Northern Ireland. The campaign, which includes a new website for parents called Integrate My School (IMS), was launched by Liam Neeson, who released a powerful video message of support. The new website, www.IntegrateMySchool.com, explains how a school can become integrated (the transformation process) and for the first time gives parents of children at primary and post-primary schools in Northern Ireland the opportunity to register their interest in transforming their school to an integrated one, kick-starting a process which research has shown would be supported by most parents in Northern Ireland.

Since the campaign launch in February 2017 there has been steady growth in parental engagement with the IMS website, and parent registrations have been increasing each week.

4.3.1 Policy and public affairs

Throughout the year the Fund made submissions and representation to key government and international policy consultations including the Independent Review of Integrated Education, the Programme for Government, The Children and Young People's Strategy and the United Nations Committee on the Rights of the Child.

- **The Independent Review of Integrated Education**

The Independent Review of Integrated Education was published 02 March 2017 and provides a fair and thoughtful assessment of how to develop and grow integrated education and how to develop a more integrated system in its widest sense.

The report is more than a hundred pages long and produces 39 recommendations for “structures and processes that support the effective planning, growth and development of a more integrated education system within a framework of viable and sustainable schools.” The 39 recommendations focus on four areas for change: legislative; policy; process change; and the systemic change of the education system.

The Review calls specifically for measures which would strengthen and expand the statutory duty towards integrated education.

- **Stakeholder Forum for Integrated Education**

On 02 March 2017, a new group established by the Department of Education met for the first time - the Stakeholder Forum for Integrated Education. The Department has credited the Judgment Implementation Group (JIG) with helping to bring about the formation of the Forum. The JIG was formed after the Department had turned down Drumragh Integrated College's application to expand to meet local parental demand, and the College challenged this decision in court. Membership of the JIG had included the IEF, NICIE, Association of

Principal Teachers of Integrated Schools (APTIS), and the Public Interest Litigation Support project (PILS).

Through the new Stakeholder Forum, the Department can liaise with representatives of integrated education on a broad range of pertinent issues. Membership of the Forum includes representatives from the Department, the IEF, NICIE, the Association of Principal Teachers of Integrated Schools (APTIS), the Integrated Schools Finance Association, integrated school teachers, and Early Years staff. Through the Forum, the Integrated Education Movement will be able to provide feedback to the Department on the implementation of the Department's duty to encourage and facilitate the development of integrated education (Article 64), and the Department will be able to draw on the experience and expertise of key stakeholders within the integrated sector.

• **The UN Committee on the Rights of the Child (UNCRC)**

The Fund also welcomed the recommendation by The UN Committee on the Rights of the Child (UNCRC) that Northern Ireland develop an integrated education system.

The UNCRC, in its periodic review of the UK's adherence to the Convention on the Rights of the Child, expressed concern that "in Northern Ireland segregation of schools by religion persists" and went on to recommend that "the State party... in Northern Ireland actively promote a fully integrated education system and carefully monitor the provision of shared education, with the participation of children, in order to ensure that it facilitates social integration." The review was published on 03 June 2016.

4.3.2 Political engagement

The Fund continues to engage with politicians and policy officers to highlight the growing body of evidence on the need for the systemic change of our education system and the overwhelming support by parents for integrated education.

We continue to partner with the Northern Ireland Council for Integrated Education (NICIE) in advocating for the development and growth of integrated education including attending party political conferences to ensure maximum representation. This year we have attended the PUP, UUP, DUP and Alliance conferences and will also have representation at the SDLP and Sinn Fein conferences later in the year.

4.3.3 Media relations and Community Engagement

Public relations underpins all of the Fund's activities with the focus this year being primarily on the strategic branding and raising awareness of the Parental Engagement Campaign which includes the Integrate My School website. Boosted by Liam Neeson's video message of support, the overall reach of the campaign has been a phenomenal success, with all of the main press and broadcast news and current affairs outlets covering the launch and the video going viral on many social media platforms.

4.3.4 Community Consultation

A key strand of the Fund's Parental Engagement Campaign has been working to develop a best practice model for community consultation to enable meaningful community engagement with, and contribution to, education planning decisions.

The community consultation model is being developed to address the flaws in the Department of Education's current Area Based Planning process, whereby parents and communities are not given an opportunity to fully engage in planning decisions. The model provides an opportunity for parents

to highlight their preference as to types of education provision, which the planning authorities currently fail to measure effectively.

The first successful pilot for the community consultation model was run in Kilkeel in 2016. The IEF gained significant learnings from this pilot, which led to a refining of the process in order to address both functional and financial challenges.

Working with Ulster University and supported by the Education Authority we will complete a second community engagement consultation in the Clogher Valley area. The report will be presented to the relevant planning authorities and key stakeholders in early June.

The Fund will continue to collaborate with the relevant planning authorities for education with the aim of designing a non-partisan consultation mechanism that will be used to help narrow the gap between sectoral interests and the views and aspirations of parents and the wider local community.

5. FINANCIAL REVIEW

5.1 Principal funding sources

To facilitate a meaningful review, comparative figures discussed below are in respect of the IEF charitable trust which incorporated on 08 February 2016 and transferred all activities to the limited company on 01 April 2016.

The Integrated Education Fund charitable trust was established in 1992 with money from the European Union Structural Funds, the Department of Education (NI), the Nuffield Foundation and the Joseph Rowntree Charitable Trust. The IEF works from its capital base which is supported by its major gift fundraising campaign, (receiving donations from individuals, businesses and other trusts and foundations), income generating events, and investment income.

The Fund also acts as an intermediary body to administer grants and donations on behalf of other outside funding bodies and individuals.

Total expenditure this year was £998,592 compared with £1,129,322 in the previous year. Total income was £881,868 compared with £1,248,674 in the previous year. Charitable activities accounted for 81% of all expenditure and the cost of generating funds 19%. In 2015/16 the comparative figures were 77% and 23%. This year there was a net loss, after recognised gains and losses were considered, of £96,643 compared to a net gain of £105,271 in the previous year. The loss of £96,643 is made up of a net loss of £122,277 deducted from unrestricted reserves and a net gain of £25,634 added to restricted reserves.

The IEF continues to be very fortunate that donors Harvey and Allison McGrath are providing significant funding through The McGrath Trust to support the work of the Fund. The balance of funding from an earlier Atlantic Philanthropies grant provided support again this year specifically for transformation outreach work. The IEF is extremely grateful for the commitment and encouragement of these donors.

5.2 Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in whatever ways the Directors think appropriate. The Directors, having regard to the liquidity requirements of the current grant making programmes, the financial requirements of potential independent schools and to the reserves policy, have determined that available funds are kept in interest bearing deposit accounts, spreading the risk across a number of banks.

In addition, since 2013/14 the IEF has had funds invested in the Northern Ireland Central Investment Fund for Charities (NICIFC) with the aim of securing a better return than that offered by deposit accounts. NICIFC is administered by the Department for Social Development.

The day to day operation of the IEF is conducted through the Ulster Bank. During 2016/17 IEF funds were deposited with the Bank of Ireland, Danske Bank, First Trust Bank, Lloyds Bank, the Progressive Building Society, and the Ulster Bank. The level of funds held as cash in a number of banks i.e. £2.85million in total, will be significantly reduced when outstanding grant commitments are paid out during 2017/18.

5.3 Reserves policy

5.3.1 Reserves policy - Unrestricted reserves

In 1992, when the IEF was first established, the Fund received endowments totalling over £2million. Between 1997 and 2009, the IEF financially supported a number of integrated schools which the government had refused to fund and so, whilst the majority of these schools grew and eventually received government funding, over time the IEF reserves were depleted.

At the end of March 2017 the IEF had £1,580,985 in unrestricted reserves. Directors are aware that, in terms of reserves, 6 months running costs is generally seen as an acceptable level which, for the IEF, would be £252,000, however the IEF cannot predict in advance what opportunities may occur which schools would want to respond to eg parental demand for a preschool etc. In addition, fundraising is by its very nature unpredictable and, whilst budgets are set according to the overall targets for raising funds, the level of unrestricted to restricted income will vary year on year, whether or not the overall fundraising targets are met. It is therefore IEF policy to hold a relatively high level of unrestricted reserves to cover grant making, running costs, projects planned for 2017/18 and potential fluctuations in unrestricted donations.

Projections regarding the utilisation of unrestricted reserves, based on estimates of income and expenditure for the current financial year and following two years, are brought to the Board of Directors every six months for discussion, and to meetings of the Risk Management Committee, as part of forward financial planning.

5.3.2 Reserves policy - Restricted reserves

At the end of March 2017 the IEF had £1,083,631 in restricted reserves. This balance will fluctuate during the coming year as other restricted donations are received and/or as the funds are used in accordance with the donors' wishes and IEF grant making policy.

5.4 Grant making powers and policy

The Board of Directors has delegated powers to a Grants Committee to carry out the IEF's Grant Making Policy which includes:

- i. To ensure that the grant making process is fair and equitable at all times and to establish and agree criteria for grant programmes.
- ii. To ensure that grants meet the terms and objectives of the original funders.
- iii. To uphold the reputation of the Fund as a grant making organisation that is clearly focused, fair, accountable and consistent.
- iv. To be the link between the schools (grantees) and the Board (grantors).
- v. To consider in detail applications to the IEF for funding and to make recommendations to the full IEF Board. The Board ultimately has executive power over grant allocations, the Grants Committee has executive power at an operational level for anomalies arising within existing live grants.
- vi. To ensure on-going financial and operational monitoring of programmes, measuring the outcomes of projects against stated aims and objectives.

5.5 Other significant events that have affected financial performance

There have been no significant events that have affected the IEF's financial performance in 2016/17.

6. PLANS FOR FUTURE PERIODS

The IEF will continue to campaign for change and we will do so on the basis of many of the proposals contained within the Independent Review of Integrated Education published in March 2017. This Independent Review provided a series of recommendations to government that need to be implemented if government is to remove ongoing obstacles and blockages impeding the growth of integrated education. To do this effectively requires the return of a fully functioning Executive as soon as possible.

We also need the full implementation of the Fresh Start Agreement. This Agreement contained the most significant capital investment in the history of integrated education. The IEF, together with our colleagues in NICIE and the integrated schools, will continue to do all we can to ensure this commitment is fulfilled and used to maximum benefit for the integrated schools' estate.

In the 2017/18 year, we will also look forward to presenting the next phase of the IEF's work in a fresh three year development plan. Here we will develop our twin track strategy of achieving structural and policy changes in the broader education system, whilst continuing to support parents and schools on the ground. The momentum is building and we need to ensure it continues.

We will also be reflecting on the contribution made by the Fund over the last 25 years. Back in 1992 when the IEF was established there were just 3,408 pupils and 18 integrated schools. Since then we have helped to support the establishment of a further 47 schools and an increase in integrated places by almost 20,000. Our grant making and advocacy actions have played a crucial role in achieving this.

Much remains to be done however and little can be achieved without the generosity and support of so many individuals and organisations. Unfortunately the fundraising campaign to support all the

Fund's activities will need to continue. Led by the Board of Directors and supported by a Campaign Council representing key donors and supporters, we look forward to working with our existing friends and supporters, as well as bringing on board many new ones in the coming year.

To everyone who helps us in so many ways, may I say a resounding thank you.

7. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS - SISTER ANNA CHARITABLE TRUST

The Sr Anna Charitable Trust is a Restricted Capital Fund set up with the IEF by the late Sr Anna in 2004 with the interest from the Trust to be used to contribute to the support of Lagan College Chaplains. The Trust funds are managed by Danske Bank.

In the financial year 2016/17, the interest earned was £6,732.41 (an increase on the previous year's £6,125.82) and this was transferred to Lagan College on 19 April 2017.

A growth in investment opportunities has led to an increase in the capital sum invested from £169,225 in 2015/16 to £189,306 in 2016/17.

8. TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply both with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Marie Cowan
Chair, Integrated Education Fund

21 June 2017