

Registered number: NI022427
Charity registered number: XN91943

The Northern Ireland Council for Integrated Education
(a company limited by guarantee)

**Directors' report and financial statements
for the year ended 31 March 2015**

*Laid before the Northern Ireland Assembly
under section 10(4) of the Government Resources
and Accounts Act (Northern Ireland) 2001
by the Department of Finance and Personnel
on*

_____ July 2015

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

Directors' Report and financial statements for the year ended 31 March 2015

Contents	Pages
Reference and administrative details	2 - 3
Directors' report	4 - 12
Annual report	13
Chief Executive Officer's report	14 - 15
Annual Governance Statement	16 - 24
Remuneration report	25 - 28
Independent auditors' report	29 - 30
Statement of financial activities (including income and expenditure account)	31
Statement of financial position	32
Statement of cash flows	33
Reconciliation of net outgoing resources to net cash inflow/ (outflow) from continuing operating activities	33
Notes to the financial statements	34 - 44

Reference and administrative details

President

Colm Cavanagh

Directors/Trustees

Alan Henry OBE (appointed November 2014, elected as Chairman December 2014)

David Clement OBE

Ian McKay

Martin Stroud

Tim Webster

Dermot MacCann (Treasurer)

David Burgess (appointed Secretary December 2014)

Helen McLaughlin (re-elected as Vice Chair Dec 2014)

Brendan O'Loan

Helen Hamilton

Heather Watson

Anne McCann

Nigel Frith (appointed November 2014)

Stephen Peover (appointed November 2014)

Eamon Quinn (appointed November 2014)

Stuart Marriott (appointed November 2014)

Sussanne Gillespie (appointed November 2014)

Ian McMorris, Chairperson (resigned November 2014)

Ciarnan Helferty (resigned November 2014)

Olwen Griffith (resigned November 2014)

Julia Paul (resigned November 2014)

Vincent Fulham MBE (resigned November 2014)

Steven Agnew (resigned November 2014)

Company Secretary

David Burgess

Senior management members

Noreen Campbell (Chief Executive Officer)

Maureen Johnston (Finance Officer)

Clíodhna Scott Wills (Senior Development Officer for Lorna McAlpine, seconded to Department of Employment and Learning ("DEL"))

Bernie Kells (Senior Development Officer)

Frances Donnelly (Senior Development Officer)

Registered and Principal office

25 College Gardens

Belfast

Northern Ireland, BT9 6BS

Solicitors

Johns Elliot

40 Linenhall Street

Belfast, BT2 8BA

Bankers

First Trust Bank

33 – 35 University Road

Belfast

BT7 1ND

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Waterfront Plaza

8 Laganbank Road

Belfast, BT1 3LR

The Northern Ireland Council for Integrated Education (Company limited by guarantee)

3

You may reuse this information (including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, please visit <http://www.nationalarchives.gov.uk/doc/open-government-licence> or email psi@nationalarchives.gis.gov.uk. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This Document is also available on our website at <http://www.nicie.org.uk>

Any Enquiries regarding this document should be sent to NICIE, 25 College Gardens, Belfast, BT9 6BS

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

4

Directors' report for the year ended 31 March 2015

The directors, who are also trustees, present their annual report and the audited financial statements for the year ended 31 March 2015. The financial statements are prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 and in accordance with the requirements and guidelines set out in the Government's Financial Reporting Manual (FRoM) issued by the Department of Finance and Personnel which is in force for the financial year for which the financial statements are being presented.

The accounting policies contained in the FRoM apply International Financial Reporting Standard as adopted or interpreted for the public sector context.

Reference and administrative details

Details of the registered office, directors, independent advisers and other relevant information are given on page 2.

Structure, Governance and Management

Governing document

The Northern Ireland Council for Integrated Education ("NICIE") was incorporated in 1989 as a company limited by guarantee and is exempt from tax under Section 505(1) (c) of the Income and Corporation Act 1988 as a body established for charitable purposes only. NICIE was designated as a Non Departmental Public Body ("NDPB") in February 2012. It is sponsored by the Department of Education for Northern Ireland ("DENI"). The company's principal activity as defined in the Education Reform (NI) order 1989 is "to encourage and facilitate the development of integrated education and schools for the public benefit".

Directors

All directors are members of the Council. All directors are guarantors of the company with a maximum liability of £10.

Appointment of directors

NICIE directors are elected or appointed from six areas representative of all stakeholders. These comprise, Teachers, Principals, Schools, Trusts, Early Years and the DENI. Directors can serve two periods of between 2-4 years subject to the terms of the Memorandum and Articles of Association.

Director induction and training

The Company Secretary ensures that appropriate induction and training is given to all Board members. Each new director is provided with a pack of information about the Council and their responsibilities and is given an opportunity to meet all staff.

Organisation

The governance, management and conduct of the business and affairs of the Council are carried on by the Board of Directors ("BoD") in accordance with the Memorandum and Articles of Association of the Council and the Management Statement (incorporating the Financial memorandum). The Chief Executive Officer ("CEO") is Noreen Campbell.

Funding

The Council works in close collaboration with its principal funders; the DENI the Department of Foreign Affairs Ireland and others to promote the work of the organisation.

Directors' report for the year ended 31 March 2015

Structure, Governance and Management (continued)

Risk management and internal control

The directors are responsible for ensuring that an effective system of internal financial control is maintained and operated by the Council.

The system of internal financial control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability.

In particular it includes:

- A comprehensive budgeting system, with a strategic plan and an annual budget, which is reviewed and agreed by the directors;
- Regular reviews by the directors of monthly and annual financial reports, which indicate financial performance against approved budget and forecast; and
- Procedures for monitoring progress against the strategic plan.

As part of the monitoring process, the directors have implemented a risk management strategy which comprises:

- A quarterly review of the risks which the Council may face and actions taken to mitigate identified risks;
- The establishment of systems and procedures to mitigate those risks identified; and
- The implementation of procedures designed to minimise any potential impact on the organisation should any of those risks materialise.

Principal risks identified are in relation to the following areas:

- A failure by NICIE to exercise proper stewardship;
- A failure because of insufficient capacity and capability;
- Ineffective governance and accountability framework;
- A failure to increase provision for Integrated Education; and
- A failure to clarify and develop NICIE's strategic role in a time of educational change.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by directors. Particular attention is focused on non-financial risks arising from fire and health and safety of all staff and visitors.

Objectives and activities of the Council

During the year the Council continued to operate in the following programme areas:

1. Development and support services, for which core funding was made available through DENI. The key objectives for this programme underpinned DENI's Strategic Plan and policies and included promoting the growth of integrated provision through supporting parents' groups, supporting schools in the process of 'transformation' or interested in 'transforming' and supporting existing integrated schools with regard to consolidation and expansion and in embedding 'integration in practice'. NICIE worked with integrated schools and other stakeholders in the process of Area Based planning. NICIE was concerned to raise the level of debate about the role of integrated education by informing and influencing public opinion. NICIE promoted the characteristics of integration in practice both in integrated schools and across other schools. NICIE continue to strive to improve its internal capacity.
2. The initiation and development of work funded through Department of Foreign Affairs, Ireland. This grant provides for the development of resources to assist schools in commemorating a decade of anniversaries and the new NICIE initiative Positive Partnerships for Integration(PPInt).

Directors' report for the year ended 31 March 2015

Achievements and performance

The statement of financial activities for the Council is set out on page 31.

All programmes are drawn up in accordance with best practice and link to the Strategic Aims of the Council and are aligned to the business plan of DENI. All programmes have detailed operational plans with qualitative and quantitative targets, linked to targets monitored on a regular basis by the Board, Senior Management Team and the external funding bodies.

Details of NICIE's activities during the year can be accessed on line at www.nicie.org.uk or by contacting the Company at the registered address.

Financial Review

The full financial results of the Council are set out in detail in the financial statements on pages 31 to 44. The net outgoing resources for the year before recognised gains and losses excluding exceptional items was £29,342 (2014: £233,041).

Performance

The Council bases its operations strategically on a 3 year strategic plan and on an annual basis on an Operational Plan which is reported on quarterly to the Board of Directors and DENI. Although the Operational Plan is set within the context of DE's business plan it includes projects and work carried out which fall outside the Department's plan, and which are funded by Department of Foreign Affairs, Ireland. The Council reports on its operations in its Annual Report. The Council has delivered on all its major undertakings in this current year.

Reserves

The company receives grants from various sources that are spent on the activities as detailed in the respective Letters of Offer. Any unspent monies may be subject to claw-back by the grant provider.

The net liabilities at the year-end including the pension deficit is £518,129 (2014: £9,908,840). This includes a net pension liability of £564,000 (2014: £394,000). For further details of the pension liability please refer to note 15 of the financial statements and the Remuneration report.

Forward funding

The Council has secured sufficient income from a variety of donors for the year 2015 - 2016 to offer comfort to the directors and stakeholders of its ability to operate into the future. Major funding has been guaranteed from DENI, with other project funds being made available from the Department of Foreign Affairs, Ireland.

Strategic goals, objectives and activities

NICIE has identified the following strategic goals for the duration of its 2014-2016 Strategic Plan.

Strategic Aim 1: Growth

To increase the numbers of children and young people experiencing an integrated education.

Strategic Aim 2: Excellence in Integrated Education

To support the delivery of quality integrated education which delivers excellent experiences and outcomes.

Strategic Aim 3: Inform, Influence and Promote

To raise awareness, influence others and increase support for integrated education.

Strategic Aim 4: Internal Capacity Building

To strengthen the organisation so that it achieves its mission successfully.

However, it recognises that in an environment that is characterised by change, these goals may change.

Directors' report for the year ended 31 March 2015 (continued)

Strategic goals, objectives and activities (continued)

The NICIE business plan has aligned these Strategic goals with DENI Business Plan and DENI targets:

- Raising Standards for all;
- Closing the Performance Gap, Increasing Access and Equality;
- Developing the Education Workforce;
- Improving the Learning Environment; and
- Transforming the Governance and Management of education.

The strategic goals are highlighted below:

Listed below are the key objectives associated with each of the Council's strategic goals and the achievements noted against each objective:

Strategic Aim 1: Growth

To increase the numbers of children and young people experiencing an integrated education.

Associated with this goal were the following objectives: work proactively, in partnership with IEF, to identify and support new opportunities to increase the numbers of children benefiting from an Integrated Education; support parents who are interested in developing integrated provision for their children; provide support and advice to integrated schools which wish to consolidate and expand their provision; support schools which wish to transform and schools in the process of transformation; through consultation and discussion to effect a change in DENI policy on transformation; support schools who wish to develop an integrated ethos but who do not wish a change in legal status; work with political parties, DENI and educational partners to ensure that the case for Integrated Education is central to the development of educational policy, work with others to influence the development of shared practice based on the integrated experience

Achievements in 2014/2015 included the following:

- Active participation in area based planning through representation on a range of committees, liaison with ELBs and other stakeholders.
- Detailed consultation with integrated schools regarding growth and expansion.
- Submission of NICIE primary area plans to ELBs.
- Supporting 10 schools with Development Proposals (DPs) and providing commentaries for DENI on same.
- Detailed response to DP consultation process for other sectors, including supporting schools in their responses.
- Representation on cross-sectoral working party (NEELB) exploring potential for jointly management college in Crumlin.
- Support for new GMI college proposal in Crumlin – Camlin College through the NICIE Support Programme for the development of Grant-Maintained Integrated Schools.
- Supporting Loughries PS, Mallusk PS and Killyleagh PS and Clintclay transformations, which includes submission of development proposals and commentaries when appropriate and leading schools through the NICIE support programme for transforming schools.
- Consultation with integrated schools including a Youth parliament and report and presentation, both written and verbal, to education committee on inquiry into shared and integrated education.
- Detailed consultation with a range of strategic stakeholders in relation to Positive Partnership for Integration (PPInt).
- Further training of NICIE associates in the area of PPInt and integrated ethos development.
- Establishment of pilot project to trial PPInt process.
- Providing training, support and advice for NICIE associates in the area of pre-school development.
- Revision and updating of Pre-School Strategic Plan for NICIE.
- Representation of NICIE on all PEAG groups and Child Care Partnership.
- Advice and guidance on development of pre-school provision provided for 4 integrated primary schools.
- Spring Conference for integrated primaries organised and facilitated on theme of Growth & Expansion.
- Liaison with IEF on promoting Integrated Education.
- Generating media debate on the promotion of IE.

Directors' report for the year ended 31 March 2015 (continued)

Strategic goals, objectives and activities (continued)

Strategic Aim 2: Excellence in Integrated Education

To support the delivery of quality integrated education which delivers excellent experiences and outcomes.

Associated with this goal were the following objectives : strengthen and increase the profile of NICIE as the chief advocate and recognised voice of integrated education; develop and promote policies and policy papers, both proactively and in response to government consultations; develop strategic relationships with DE and other educational stakeholders which enable NICIE to influence educational policy; develop strategic relationships with IEF and other key stakeholders which ensures the case for Integrated Education is kept in the public eye; promote Integrated Education as a model for inclusive education developing equality, diversity, respect and reconciliation through educational excellence: locally, nationally and internationally.

Achievements in 2014/2015 included the following:

- 5 schools working through the Excellence in Integration Programme.
- 1 school awarded Excellence in Integration award.
- Holocaust memorial day drama developed and delivered in partnership with Hazelwood College and the Jewish community.
- "Food for thought" drama presentation, learning resources and workshops developed in partnership with Lagan College, Tor Bank and shared end students from Bloomfield Collegiate and Our Lady and St Patrick's College.
- Developing internal guidance to align PPInt and Transformation approaches to inform schools of the different approaches to integration.
- Whole staff PPInt training delivered to Tor Bank school.
- Production of "Young voices DVD" – experiences of diversity and inclusion from all school sectors.
- Development of PPInt advocacy and support with range of civic and voluntary bodies (Barnardo's, Community Relations Council, NICCY, Multi Faith Forum, NI Mixed Marriage Association).
- Research in integrated colleges on the impact of the signature literacy and numeracy projects.
- Analysis of inspection reports into integrated schools against Chief Inspector Report.
- Integrated ethos education modules delivered to 30 students from Stranmillis UC.
- Whole staff integrated ethos training delivered to Erne IC.
- 2 schools received whole school training for Peer Mediation.
- Staff development day for 100+ Classroom Assistants from 6 integrated colleges.
- Training for 'teachers new to integration'.
- 2 Roles and Responsibilities training for Governors sessions: 39 governors from 8 GMIs attended.
- Establishment of a learning partnership between 4 colleges to develop and disseminate effective practices in integration.
- 4 schools supported with bids to IEF for "integration in practice" funding.
- Development of bespoke "Voyage of Discovery " project for Crumlin Integrated college with links to IM school, integrated PS and other local primary schools.
- Priory IC completed pilot project with The Ulster Scots Society & Foras Na Gaeilge.
- Parent's Council training and support for schools and Parent's integration in practice training for 1 school.
- Parents Council guidance material and training programme being reviewed and trialled.
- Meetings of various forums held: Teachers committee, SENCO Forum, VP Forum, Bursars Forum.
- CRC week poetry and art workshop for 40 students from 5 integrated colleges.
- Celebration of IIEW 2015/ Launch at Oakgrove IPS on the 27th of February and Celebration event at Stormont on the 5th of March.
- Support for APTIS Spring and Autumn Conferences.
- Conference on good governance for Chairs of BoG and Principals.
- Further development of Facing the Past: Shaping the Future resources including website and representation at Creative Centenaries /CRC conference.
- SCDL website maintained and resources posted and disseminated.
- Further grant secured for PPInt. until October 2015.

Directors' report for the year ended 31 March 2015 (continued)

Strategic goals, objectives and activities (continued)

Strategic Aim 3: Inform, Influence and Promote

To raise awareness, influence others and increase support for integrated education.

Associated with this goal were the following objectives :develop a programme of training based on the four core principles of Integrated Education for staff, governors and parents of integrated schools; develop and implement the 'Excellence in Integrated Education Award' which identifies and recognises best practice; promote leadership development and capacity building across the integrated movement; provide a programme to support schools with mixed populations which wish to move to an inclusive model of education and to develop 'integration in practice'; develop strategic relationships with key funders which enables NICIE to extend its work in promoting and developing 'integration in practice'.

Achievements in 2014/2015 included the following:

- Integrated Education Supplement promoting schools developed for circulation in the Irish News, The Newsletter and Farm Week.
- NICIE Newsletter termly.
- Events-: launch & celebration of Integrated Education week, including the Dunleath Lecture, AGM, Association of Principal Teachers in Integrated Schools (APTIS) conference to promote and disseminate achievements in integrated education.
- A number of presentations to International Study Groups (US /UK universities) and meetings with various research students and academics.
- CEO participation in International Conference in Abu Dhabi.
- Principals from integrated schools, along with the NICIE CEO, took part in training and conference in Macedonia with Nansen Dialogue.
- Representation on the Anti-Bullying Forum Steering Group and the HAPANI Directors.
- Information stands at Stranmillis University College Careers Fair, Political party conferences and PTA NI event
- Continued representation of the CCEA RE Advisory group.
- A regular series of articles and opinion pieces in local newspapers, interviews on radio and television, nationally and internationally.
- Promotional materials widely circulated through: Irish News supplement, Kids 4NI, Ulster Tatler and Agenda NI.
- A series of meetings with opinion formers and with politicians.
- Regular meetings with officials in DE and in ELBs.
- Response to a series of consultations on policy issues.
- The further development of the Integrated Peace Education, Global Network.
- The continued partnership with Nansen Dialogue Centre, Macedonia.
- Public outreach events – Dunleath lecture and November seminar.
- Representation on a range of committees and groups.
- Supporting PGCE interviews at QUB.

Strategic Aim 4: Internal Capacity Building

To strengthen the organisation so that it achieves its mission successfully.

Associated with this goal were the following objectives: ensure the cost effective and efficient use of resources and staff to meet strategic objectives; adopt a proactive approach to fundraising to develop and extend the work of NICIE; strengthen NICIE's capacity to carry out its work through a programme of Continuous Professional Development; ensure Effective Governance through enhanced structures and procedures; establish processes for monitoring, evaluation and reporting on the implementation of this strategic plan.

Directors' report for the year ended 31 March 2015 (continued)

Strategic goals, objectives and activities (continued)

Achievements in 2014/2015 included the following:

- Developing and aligning the NICIE business plan 2014-2015 to the DENI business plan.
- Business plan with updated NICIE's progress report submitted November 2014 and March 2015.
- The Annual Report & Accounts for 2014/2015 were audited and submitted to DENI and relevant statutory bodies.
- A Management Statement and Financial Memorandum (MSFM) was agreed with the Department of Education in April 2014.
- Appropriate Financial and Management Reports were produced for senior management team, Finance and General Purposes Staffing Committee (FGPSC) and BoD throughout the year.
- A comprehensive internal and external audit programme was established and successfully delivered.
- All Returns were returned to DE/ Department of Finance and Personnel in line with guidance.
- All Council and Committee meetings took place as scheduled. Appropriate support was delivered to Council and Committees by Officers.
- Governance continued to be reviewed and an annual review of all directors was carried out by the chairperson.
- Continued review and distribution of Terms of reference for 3 committees.
- New Directors were recruited and given induction and training.
- Staff Training was implemented throughout the year including health and safety training, risk assessment training and procurement policy.
- A number of staff policies were developed, reviewed, amended and approved by the FGPSC.
- There were no breaches of policy pay policy.
- The Council's Corporate Risk Register was developed in line with the 2014/2015 business plan, aligned to DE's Risk Management Strategy, routinely reviewed and revised and action plans for improvement monitored throughout the year.
- 97% of all non-disputed invoices were paid within 30 days of term date.
- Payment of all non-disputed invoices within 10 working days was maximised.
- Recruitment and appointment of two temporary development officers to secure full team complement.
- Independent DE Commissioned Governance and Organisational Review carried out by Deloitte.
- External verification carried out by OCN – policies and practices updated.

Fixed assets

Details of the movement of fixed assets are set out in note 9 to the financial statements.

Donations

The Council made no political donations during the year (2014: £Nil).

Tax status

On 2 March 1989 the Council was granted charitable status and is exempt from corporation tax on its activities. The activities of the Council are exempt for value added tax purposes. The Council therefore does not have to account for value added tax on its income nor is it able to recover the value added tax element of expenditure.

Disabled employees

The Council gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitude and abilities as well as Health and Safety factors.

Equality of Opportunity

We follow the Northern Ireland Civil Service Policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of ability, qualification and aptitude for work.

Directors' report for the year ended 31 March 2015 (continued)

Employee involvement

It is the policy of the Council to promote the understanding and involvement of all its employees in its aims and performance and it is committed to the continuing development of effective employee communication and consultation.

Sickness Absence

The sickness absence rate for the year was 178 days (2014: 99 days). The BoD works continuously to reduce this figure.

Prompt Payment

The Council is committed to the prompt payment of bills for goods and services received in accordance with NICIE Financial Memorandum, the Confederation of British Industry's Better Practice Prompt Payers Code. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. In 2015 NICIE paid 97% (2014: 100%) of its creditors within 30 days and no commission debt interest was paid or was due in respect of transaction in 2014/2015.

Statement of accounting officer's and directors' responsibilities

The directors (who are also trustees of The Northern Ireland Council for Integrated Education) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and Article 8(6) of the Financial Provisions (Northern Ireland) Order 1993 require the Chief Executive and directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs and of the surplus or deficit of the Council for that period. In preparing those financial statements, the Chief Executive and directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Council will continue in business.

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

The directors are responsible for the maintenance and integrity of the Council's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition, in appointing the Chief Executive of the NICIE as Accounting Officer for the Council, the Department for Education has placed on the Chief Executive responsibilities including the regularity and propriety of the public finances and for the keeping of proper records, and which are set out in the "Accounting Officers" Management Statement (incorporating the Financial memorandum) issued by the Department of Finance and Personnel.

Directors' report for the year ended 31 March 2015 (continued)

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Council's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Council's auditors are aware of that information.

Small companies' exemption

In preparing this report the directors have taken advantage of the small companies exemptions provided by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have been reappointed as Independent Auditors after a tender process and have agreed to continue as auditors. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



Noreen Campbell
Chief Executive Officer
16 June 2015

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

13

Annual report for the year ended 31 March 2015

I was privileged to take up the position of Chair of the Board of Directors of NICIE in December 2014. I want to pay tribute to the outgoing chair Ian McMorris for his leadership of the Board and his contribution to the cause of integrated education. I am pleased to report that Ian McMorris has been appointed to the Education Authority ("EA"). NICIE was pleased that its calls for representation on the Board of the new body were recognised. We recognise the importance of the EA in shaping the educational landscape and urge it to accept its role in the planning of new integrated schools.

In the draft budget published in December NICIE was shocked to see a proposed cut of 15% to our budget. An intense period of lobbying followed and we are grateful to all the schools, individual, groups and politicians who supported NICIE in fighting this proposal. The budget reduction when it came was significant but not as strong as originally proposed.

An organisational review of NICIE, commissioned by DE and carried out by Deloitte reported on the strong governance and effective management of NICIE. This was a pleasing tribute to the effectiveness of the Board and of the staff of NICIE. This Deloitte report also recommended changes in the staffing structure which are now being considered.

I have been pleased, as chair of NICIE, to meet with our colleagues in the Integrated Education Fund to share strategies in our joint work for integrated education.

This is a busy time for NICIE. An increasing number of schools are interested in the process of transformation, the NICIE initiative on Positive Partnerships for Integration is being piloted in a number of schools, demand for integrated schools grows and many of our schools are or are planning to expand. NICIE will continue to lead and support those seeking an integrated education and to support the 63 schools which hold integrated status.



Alan Henry
Chairperson
16 June 2015

Chief Executive Officer's report for the year ended 31 March 2015

"Peace is a daily, a weekly, a monthly process, gradually changing opinions, slowly eroding old barriers, quietly building new structures." John F. Kennedy.

The history of integrated education illustrates the truth of President Kennedy's words. Over a period of 34 years the supporters of integrated education have slowly, school by school, parents group by parents group, area by area, worked to challenge the status quo of segregation. They worked to implement a vision of education where the historic divisions of our society are replaced by the simple concept of educating children together, protestant and catholic, those of different faiths and none, boys and girls together, all classes and all abilities. They established new schools in the face of many barriers and much opposition, and in these schools they pioneered a model of diverse and inclusive education which has been emulated in divided societies globally.

The success of these schools changed opinion on the ground. Integrated Education is accepted as the preferred model of education, both by many locally and by political leaders and governments internationally. Time and again, the public have expressed their support for integrated education. Unfortunately, the forces of inertia and the power of vested interests continue to inhibit the growth and development of integration.

The year past, 2014–2015, saw this resistance illustrated in some remarkable ways. The enquiry into Shared and Integrated Education undertaken by the Education Committee attracted a wide range of submissions, the vast majority speaking out for and supporting integration. In the light of such wide ranging support, the call from CCMS and the Catholic Commission for the rescinding of article 64 which places a statutory duty on DE to encourage and facilitate integrated education was remarkable and surprising. The DUP echoing the call of CCMS suggested an implacable opposition by both to education reform and an inability to recognise the societal change happening around them. The public debate created by this opposition underlined not only public support for Integrated Education but also a deep understanding of why a commitment to integration is protected by statute and was included in the Good Friday Agreement.

The year was dominated by this ongoing debate. It was marked by two seminal judgements through judicial review. The first, in May 2014, in a case taken by Drumragh Integrated College, emphasised the importance of article 64 and reminded the department that it had to be alive to its responsibility under the article at all levels including the strategic. Judge Tracey noted the flaws in the 'needs model' as a mechanism for area planning and provided an important definition of what characterises an integrated school — the equality of respect for all traditions which contrasts to the dominant ethos to be found in single identity or faith schools, however mixed. This was an important affirmation of the concept of integration. A further judgment by Judge Treacy in March in relation to Clintyclay MPS quashed the minister's decision to close the school and noted the potential 'galvanising' impact for the integrated movement of a catholic school, the first ever, seeking to transform. No one would suggest that educational planning is best achieved through judicial review; that such reviews have been taken is indicative of the barriers to integration and the frustration of parents and schools.

Further barriers to the expansion of integration were evident in the area planning process. Unfortunately, the two big sectors continued to plan within their sectors, offering no alternatives to parents, offering no vision for the future, repeating the tired and constraining division of the past. NICIE continued to play as full a part as possible in the area planning process through our senior staff and team of associates, offering alternative solutions, urging innovative approaches, challenging the status quo through bringing forward robust proposals based on parental preference. NICIE, directed by the minister, initiated strategic reviews in two areas. With colleagues in CCMS and the southern region of the EA, we are pioneering a more meaningful approach to area planning. This work will continue.

Over the course of the year, NICIE was privileged to work with parents and schools in a number of areas where an integrated choice was being sought. Development proposals were brought forward to transform Mallusk primary school and Loughries primary school; to transform Clintyclay maintained primary school to a grant maintained integrated school; and to start a new grant maintained college in Crumlin. The process of transformation commenced in Killyleagh primary school, and NICIE was delighted when Tor Bank special school began the process of developing and of gaining recognition for its integrated ethos through *Positive Partnerships for Integration*. We are indebted to the Department of Foreign Affairs in Dublin, for providing grant aid to develop this initiative. The staff in NICIE deserves full credit for their work in these areas.

Work continued in the family of integrated schools. Development proposals for expansion were supported in a number of schools. The announcement, as part of the Stormont House Agreement, that there would be a £500 million capital injection over ten years in integrated and shared education was welcomed. For the first time significant monies were promised to support the development of Integrated Education and to redress the historic inequalities in school building for integrated schools. NICIE has developed plans to ensure full use of this money, over the coming ten years, when it is released.

Chief Executive Officer's report for the year ended 31 March 2015 (continued)

Our schools are connected not only by their commitment to integrated education, but also by their commitment to excellence in education. Five more schools joined the Excellence in Integrated Education programme and Portadown Integrated Primary School achieved this. The sharing of good practice continued across our collegiate of schools through a range of forums and of seminars and conferences. Public debate around the challenges to education was explored through both the annual Dunleath lecture and a very lively AGM seminar which was much enlivened by the voice of young people from our integrated schools.

This year past saw a significant development in the passing of the Education Bill which has ushered in the Education Authority. NICIE urges this new body to accept its responsibility for planning for integrated education, shifting this discriminatory and unequal burden from parents to the body with responsibility for educational planning.

Also during the year, NICIE maintained and deepened its partnership with international partners in Macedonia and Croatia. NICIE was represented at an important conference which discussed the role of education in countering violent extremism, one which called for Governments to support integrated education as a mechanism for promoting respect and understanding.

It has been another busy year for NICIE, notwithstanding the challenge to the organisation from a reduced budget for the next year. It has been a year where the importance of educating children together has never been far from public debate, one where, despite continuing falling student numbers, the demand for integrated education has continued to grow. The advocates for integrated education may not always speak quietly, but we do speak with conviction. We recognise, as Chomsky said: 'Changes and progress very rarely are gifts from above. They come out of struggles from below.' As we enter the 35th year of integrated education, we are determined that we will see the change and progress our children are entitled to, progress that the development of a diverse, equal and shared society depends upon.



Noreen Campbell
Chief Executive Officer
16 June 2015

Annual Governance Statement

Introduction

The Northern Ireland Council for Integrated Education (NICIE) is a Non Departmental Public Body (NDPB) of the Department of Education (DE). NICIE was established in 1987 as an umbrella body to represent integrated schools and to promote Integrated Education. NICIE was set up as a company limited by guarantee with charitable status and is supported through grant aid by DE under the Education Reform (Northern Ireland) Order 1989.

The role of NICIE as defined in the Management Statement is 'to promote integrated education and to perform a wide range of roles in facilitating the development of integrated education in Northern Ireland for the public benefit'.

The Governance Statement sets out the governance structures, risk management and internal control procedures that have operated within NICIE during the financial year 2014-2015.

The Annual Governance Statement has been produced in line with guidance issued by the Department of Finance and Personnel (DFP) in accordance with the guidance in Annex 3.1 of Managing Public Money Northern Ireland (MPMNI) and forms part of the Statutory Accounts and is reviewed, considered and approved by the Board of Directors (BoD).

Scope of responsibility

As Accounting Officer, I am committed to operating in accordance with best practice in business integrity and ethics and maintaining the highest standards of financial reporting and governance. I have responsibility for maintaining a sound system of controls that supports the achievement of NICIE's policies, aims and objectives, whilst safeguarding the public funds and the NICIE assets for which I am personally responsible, in accordance with the responsibilities assigned in the MPMNI.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

As Accounting Officer of a public body and designated NDPB, I am committed to governance excellence and to ensuring accountability and transparency for all decisions and activities. I am responsible to the Permanent Secretary of DE and the terms and conditions as set out in NICIE's Management Statement (incorporating the Financial Memorandum) (MSFM).

Strategic Objectives

NICIE has continued to set clearly defined strategic objectives for the year 2014-2015. The corporate/strategic planning process has evolved and developed into establishment of real-time plans and processes to ensure clear targets for NICIE and I have ensured that this has been maintained during the year 2014-2015 in partnership with all staff, Board of Directors (BoD) and relevant stakeholders.

DE has developed a new business plan template for NICIE and this was agreed following detailed discussions. These changes in format, now implemented were required to more clearly reflect the Department's strategic priorities and to make NICIE more consistent with the format and structure used more generally across DE and other NDPBs. The new business plan targets/actions reflect a range of areas where NICIE's performance is monitored against Department of Education priorities.

NICIE's vision has been and continues to be, to ensure that there is integrated choice in every area, educating all children together, offering educational excellence and best practice in integration, and laying the foundation for a future in which an integrated education is the norm for all children in Northern Ireland.

Governance Framework

In partnership with the BoD I have a corporate responsibility for setting objectives, agreeing priorities and implementing ministerial policy. The BoD assisted by me and the staff of NICIE developed and agreed a business plan for the 2014-2015 year, which was formally approved by DE. This was regularly reviewed along with key risks associated with the delivery of NICIE's objectives throughout the year. In addition under the new guidance issued by DE as reported above NICIE provided a detailed report outlining the progress of the business plan in October which was presented in the format of a business annex and this final business plan report will be completed post March 2015. An independent review of the organisation commissioned by DE and carried out by Deloitte, confirmed that effective governance arrangements are in place in NICIE.

Annual Governance Statement (continued)

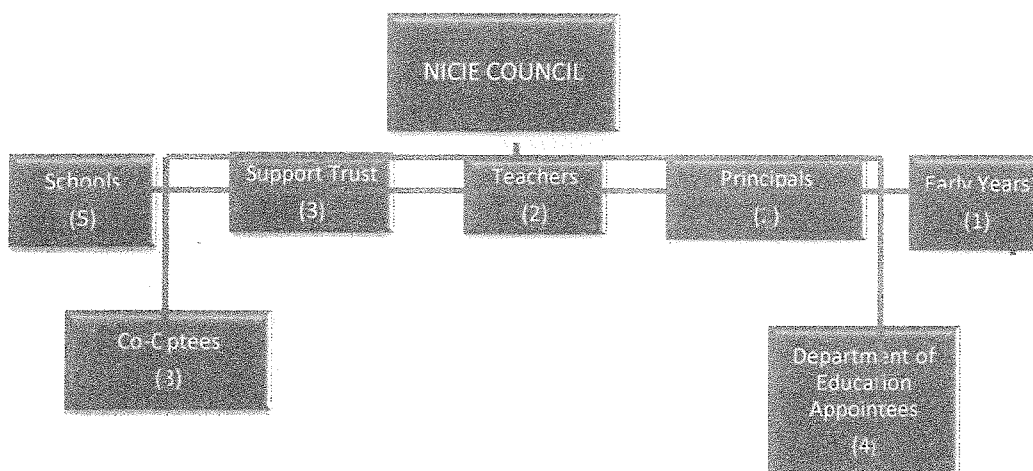
Structure of NICIE

Board and Committees

The Board of Directors (BoD) has a membership of 16 non executive members. The role of the Board was to provide leadership to NICIE during the financial year, within a framework of prudent and effective controls which enable risk to be assessed and managed to set NICIE’s strategic aims, ensuring that the necessary and financial and human resources are in place to meet its objectives: to set NICIE’s values and standards and to ensure its obligations to its stakeholders and others are understood and met.

The current BoD structure is illustrated below:

Board of Directors Structure



NICIE is a constituent body of member organisations with seven categories of membership:

- | | | |
|----|---|--|
| 1. | School members
5 members to be elected at AGM | Those engaged in running a particular integrated school. |
| 2. | Support members / Trust
3 members to be elected at AGM | Organisations for the support and promotion of integrated education. |
| 3. | Teacher members
2 members - Nominated by teachers’ committee | Representatives of teacher organisations. |
| 4. | Principals members
2 members - Nominated by APTIS | Representatives of principals’ association. |
| 5. | Early Years members
1 member - Nominated by teachers committee | Those engaged in running pre-school provision in a particular integrated school. |
| 6. | Co-Optees - Up to 3 directors | To provide additional experience. |
| 7. | Department of Education | 4 persons appointed by the Department of Education. |

Annual Governance Statement (continued)

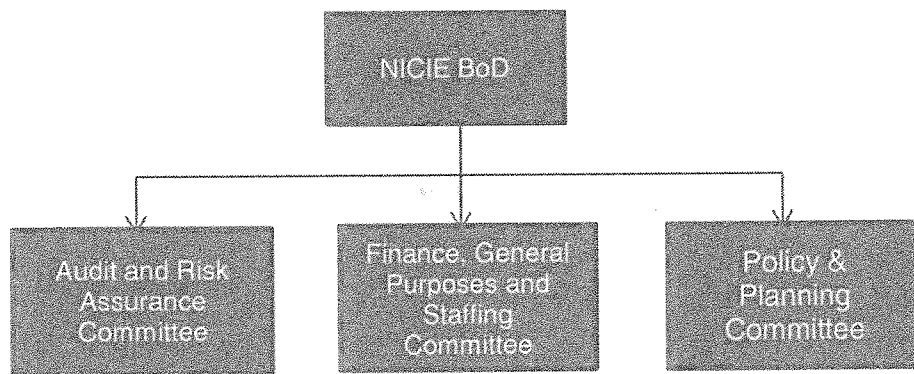
Board and Committees Structure

A number of committees serve and report to the Board of Directors and are illustrated below:

The current directors and attendance records are recorded below: The Board structure and all directors were reviewed prior to the AGM in November including attendance records to ensure that the structure complied with NICIE's memorandum and articles.

It should be noted that NICIE has removed the Steering Committee from the Board Structure this year. This committee was formed to keep close scrutiny on the situation in relation to NICIE's position with the historic Club Banks debt which has now been resolved and will be highlighted further in the report.

NICIE Board and Committees Structure:



It must be noted that despite requests to the DE, there continues to be no DE representatives on the Board for 2014-2015. DE have advised that these appointments will be made in 2015-2016.

Annual Governance Statement (continued)

Attendance at Meetings

Director's attendance at meetings held during 2014-2015 is detailed below: Please note that some directors were not in post for the full financial year

Member	Board of Directors 9 meetings (inc AGM)	Audit & Risk Assurance 4 meetings	Finance, General Purposes and Staffing Committee 11 meetings	Policy and Planning Committee 4 meetings
I McMorris - (Resigned November 14)	5	-	5	3
M Stroud	8	-	10	3
H McLaughlin	5	-	-	4
H Hamilton	1	-	-	-
B O'Loan	6	-	-	2
D Clement	8	4	-	-
V Fullam - (Resigned November 14)	5	-	-	-
I McKay	8	2	-	3
S Agnew - (Resigned November 14)	-	-	-	-
D MacCann	8	-	10	-
T Webster	7	-	-	-
H Watson	5	-	-	-
Olwen Griffith - (Resigned November 14)	3	-	-	-
David Burgess	6	-	-	4
Julia Paul - (Resigned November 14)	2	-	-	-
Ann McCann	4	-	2	3
Ciaran Helferty - (Resigned November 14)	1	-	-	-
Eamon Quinn - (Appointed November 14)	4	-	1	1
Stuart Marriott - (Appointed November 14)	4	-	-	1
Nigel Frith - (Appointed November 14)	2	-	-	1
Stephen Peover - (Appointed November 14)	3	-	2	1
Alan Henry - (Appt November 14)	4	-	2	1
Susanne Gillespie - (Appt November 14)	3	-	1	-

Annual Governance Statement (continued)

Performance of the Board

The BoD held 9 meetings including the Annual General Meeting in 2014-2015. It was agreed that the Board meetings would continue to focus on strategy and the future direction of NICIE in the changing educational environment. The chairperson also reviewed the attendance of Board Members for the previous 12 months and reiterated the need for attendance. This was closely reviewed and monitored and reported on throughout the year. It was agreed in the second quarter that a number of directors who were unable to commit to the NICIE Board would step down and new directors would be appointed at the AGM. It was also recognised that in the absence of DE representatives that NICIE needed to recruit new members with additional skills such as media, fundraising and HR to complement the existing directors and ensure a balanced Board. Four new directors were co-opted to meet these demands and all new directors were provided with induction and training after an extensive recruitment process

All Directors also received training on the roles and responsibilities of directors in February 2015.

A new chairperson was appointed at the AGM in 2014 after the previous chairperson retired from office.

The previous chairperson had undertaken and completed appraisal of directors and the annual review of governance. The new chairperson advised that he would assess the performance of individual Board members through arrangements determined by the Department. Board members will continue to be subject to ongoing performance appraisal, with a formal assessment being completed by the Chairperson at the end of each year and prior to any re - appointment of individual members taking place. Members have been made aware that they are being appraised and the standards against which they will be appraised. Members will have an opportunity to contribute to and view their report. The Chairperson will also be appraised on an annual basis through arrangements determined by the Department.

Additionally issues relating to probity/conflicts of interest were addressed (DETI NDPB Assessment of Performance) and reported accordingly by all Board members.

A register is available for inspection at NICIE Offices.

The Board reviews, through the CEO report and a range of presentations and discussion papers, the ongoing work of NICIE and its implementation of its strategic plan and business plan. A subcommittee was formed by the Board to review and report on the Governance and Organisational review. The Governance and Organisational Review confirmed the effective performance of the Board and highlighted a new proposed structure for NICIE. Discussions are currently ongoing between NICIE and DE regarding proposals for the future structure of NICIE.

During the year the Board reviewed reports from other sub committees including the annual internal audit report, monthly summary extracts from the management accounts and approved the Annual business plan and associated budgets. Accompanied by the Chairperson and Finance Officer, I met the Permanent Secretary of DE two times for Governance and Accountability meetings.

As part of ensuring that all Board meetings are managed in an efficient and timely manner I ensure that the Accounting Officer/CEO Report is circulated prior to the Board meetings.

Committee Reports

Role of the Audit and Risk Assurance Committee

In accordance with its terms of reference, the Audit and Risk Assurance Committee ("ARC") oversees financial reporting and the effectiveness of financial and regulatory compliance, controls and systems reporting.

The Audit and Risk Assurance Committee formally met on four occasions during 2014-2015 and reviewed the corporate risk register at each meeting and were satisfied that all risks were identified and corrective action taken where feasible. Some of the key risks are highlighted further in the report.

In addition the committee reviewed the results of the internal audit report and the implementation of audit recommendations. The Committee were also responsible for reviewing the annual statutory Directors Report and Financial Statements for the year to 31 March 2015. It also reviewed a number of policies including NICIE's Whistleblowing and Fraud Policy which were updated by DENI during the current year to ensure best practice.

Annual Governance Statement (continued)

Committee Reports (continued)

Role of the Audit and Risk Assurance Committee

A summary report was presented to the BoD at each quarter during the year.

A representative from DE also sat on this committee for 2014-2015 which assisted in giving additional assurance to the committee that all audit requirements were being adhered to.

Finance, General Purposes and Staffing Committee (“FGPSC”)

This committee continues to meet prior to the meeting of the Board of Directors. It met 11 times during the current year (including an Extraordinary FGPSC where all directors were invited). Its function is to focus in greater detail on the finance and personnel issues which are presented to the Board on a monthly basis throughout the year. This committee also deals with all issues relating to staff and premises. The FGPSC also held an Extraordinary meeting in March to consider the impact of future budget cuts and the Deloitte governance and organisational review recommendations.

The monthly management statements were carefully reviewed by me and the Finance Officer prior to presentation to the FGPSC who then review the financial and performance management of NICIE ensuring that all budgets and internal controls were adhered to for the year 31 March 2015.

This committee was also responsible for ensuring that NICIE was fully compliant with business case requirements though these delays in approval were also identified as continuing to have a major impact on the day to day operation of NICIE.

A major issue for the committee during the year was the impact of staff capacity and the impact of staff illness. The Committee had identified a number of business critical areas that NICIE had to address. The FGPSC was also responsible for the awarding of tenders and ensuring that NICIE adhered to strict procurement procedures with the approval of DENI.

The FGPSC also considered the matter of long term premises for NICIE.

Policy and Planning Committee

The Committee’s remit during the current year included:

- The formulation of pro-active campaigning to raise the profile for Integrated Education;
- The continuing development of new initiatives to increase integrated provision;
- An overview of support to schools involved in transformation process;
- Discussion of and response to key consultations;
- Engagement with change in the education sector on a broader level, especially in the current economic climate; and
- The identification and engagement of key stakeholders, and maintaining a high profile for Integrated Education in the current changing education sector.

The Policy and Planning Committee has held 4 meetings during the year to formulate NICIE’s policy position on the future of Integrated Education and to determine NICIE’s engagement in, and contribution to current developments including e.g. steering and defining the NICIE response to the inquiry on shared and integrated education and responding to the implications of the Drumragh Integrated College judicial review. The committee has also been involved in the development and ratification of NICIE’s strategic planning and new NICIE policy, “Positive Partners for Integration”. Committee members provide challenge and guidance in response to updates by senior development officers on key areas of work.

Members of the committee have been active in relation to the core developments in education policy in the last year, in particular in the areas of Shared Education and Area-Based Planning. NICIE has engaged extensively with policy-makers and other key stakeholders throughout the year, as well as maintaining a pro-active media presence to ensure that Integrated Education is visibly on the agenda.

Throughout the year this committee has also been involved in seeking to promote and expand integrated education through a range of innovative approaches and has been in discussions with all relevant stakeholders.

Annual Governance Statement (continued)

Compliance with Corporate Governance

An annual review of the effectiveness of NICIE's governance structures as set out in the 2013 code(DAO/(DFP)10/12), risk management and internal controls has been conducted, informed by staff, directors, independent internal auditors, external auditors, and other reports for which I have received robust assurances.

A revised Management Statement and Financial Memorandum (MSFM) was agreed by DE in April 2014. This Management Statement sets out a broad framework within which the Council is required to operate and Financial Memorandum defines certain financial provisions from which NICIE is required to observe. As Accounting Officer I have ensured that the MSFM has been adhered to for the financial year 2014-2015 and will continue to be.

NICIE has continued to review its internal procedures to ensure that all services are reviewed and that business cases are submitted to the IMIE DE branch in a timely fashion and that all appropriate approvals are obtained before any expenditure is committed.

Further training has been given to all staff.

As highlighted earlier in this report, DE was responsible for commissioning an independent review of the Governance and Organisation of NICIE. The report carried out by Deloitte advised that the current governance structures within NICIE were operating in a largely effective way. However it did note that NICIE must further realign its strategic direction to DE's priorities.

Assurance Reporting

As Accounting Officer I am also responsible for preparing quarterly risk assurance statements and these reports provide an assurance over areas of responsibility and confirm that risks are being managed.

Internal Audit

The scope of the internal audit plan for the current year by NICIE's independent auditors Moore Stephens was to review the controls in relation to the systems that NICIE had in place for grants and income development together with its financial processes to include bank and cash, payroll processing, travel and subsistence and procurement procedures

The audit completed by the internal auditors found the internal control systems to be operating in a satisfactory manner with some minor areas of improvement. The Internal Auditor was therefore able to give positive assurance to me as Accounting Officer that the Board's risk management, control and governance arrangements were satisfactory. A review of the progress made by NICIE in implementing prior year adjustments was also undertaken and all prior year internal audit recommendations have been implemented with the exception of a major external weakness identified last year which was beyond our control. The report verified that NICIE had not paid staff increments under the agreed NICVA NJC terms of their contracts; as a NDPB, NICIE is subject to authorisation and approval from DFP in keeping with the arrangements for public pay agreed by the Executive before any such increments are paid. The DFP pay remittances have been submitted to DE; NICIE cannot pay these until this is processed and approved.

External Auditor

The company's External Auditors are PricewaterhouseCoopers LLP "(PwC)". There were no control deficiencies identified during the year.

Other Sources of Assurance

I have also relied on additional sources of assurance during the year, with regular reports from the staff, directors, NICIE Panel of Associates and independent advice from HR and legal experts.

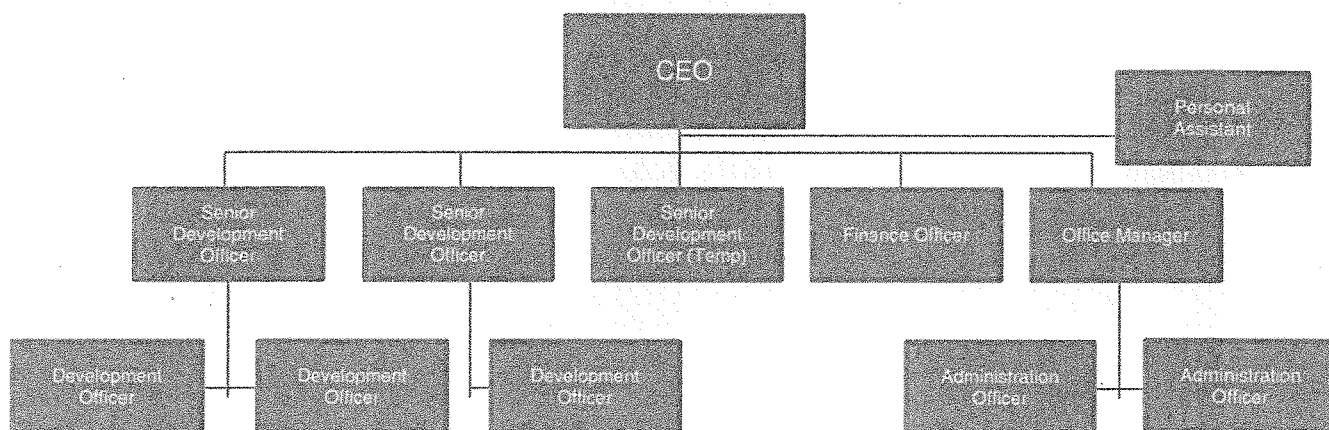
Annual Governance Statement (continued)

Quality of Data Used by the Board

All of the committees have been supported by Senior Members of the NICIE Team and appropriately experienced officers or representatives of NICIE. I regularly review and interrogate all data with Senior Management Team prior to any information being presented to the Board. These reports include monthly management accounts and budgets which are prepared by NICIE's qualified accountant and are also reviewed by the FGSC who have additional finance experience. Other NICIE reports are completed by Senior Development Officers who have a wealth of experience in the education sector which include reports compiled with various forums and relevant stakeholders. Bespoke reports are also compiled by appropriately selected Panel of Associates who have been drawn from a select list based on skills and experience. Committee Members also reviewed these reports and data and sought clarification from officers on the information presented to them.

Additionally the internal audit report was independently compiled by our Internal Auditors Moore Stephens and the Final Financial Statements were independently audited by the external auditors PwC. It is my view and the view of the committees that the quality of the data used by NICIE is of an acceptable standard.

The staffing structure of NICIE is highlighted below:



Ministerial Directions

There were no Ministerial Directions given for the year to 31 March 2015.

Risk Assessment

Internal Controls and Risk Management

I along with the directors acknowledge our responsibility for NICIE's system of internal control and for reviewing its effectiveness.

The risks associated with the council's activities were reviewed quarterly by the Audit and Risk Assurance Committee. The Corporate Risk Register includes an evaluation of all levels of risk. Both inherent and residual risks were reviewed and represented on a quarterly basis. The Chairperson of the Audit and Risk Assurance Committee reports to each Board meeting on any matters that needs to be brought to their attention.

I, as Accounting Officer, continue to enforce and ensure that Risk management is embedded and owned by the Board and all NICIE staff. This has now effectively been incorporated and embedded into all NICIE business plans and daily operations of NICIE. The Corporate risk register and risk management is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors.

As a NDPB NICIE has a low risk appetite in relation to compliance, regulation and our strategic aims which I anticipate will continue into the future.

Annual Governance Statement (continued)

Risk Profile faced by NICIE

The NICIE corporate risk register currently identifies 5 significant risks.

The Risk profile of NICIE in 2013/2014 had 6 significant risks; however the contentious risk of NICIE continuing as a going concern regarding the historic Armagh bank debt has now been satisfactorily resolved and is no longer a risk to NICIE.

Two of the other risks relate to financial management and governance. I am satisfied that these two risks are currently well managed and tolerable and significant progress continues to be made to mitigate these risks.

The remaining risks continue to present the greatest challenge to NICIE are all interlinked. The Education landscape continues to undergo significant changes and NICIE must ensure that it manages these risks and ensure that it continues to play a positive role in promoting integrated education. There is also a risk that NICIE does not have adequate capacity and resources to continue to meet all of its aims and objectives contained in the business plan in this ever changing and demanding environment.

Fraud Risk

NICIE reviewed its fraud policy during the year and has a zero tolerance in respect of fraud. Internal controls were also reviewed and are clearly embedded within all staff. I have ensured that the NICIE Finance Officer is a member of the DE Education Sector Fraud forum. There were no suspected instances of suspected fraud with NICIE during the year 2014-2015.

Raising Concerns at work (Whistle Blowing)

NICIE has implemented a new reporting policy on Raising Concerns at work (Whistleblowing), which encourages staff to report any instances of unlawful conduct, financial malpractice, or other actions that might compromise, in any way, the Council's reputation and integrity. There were no instances during 2014-2015.

Data Security breaches

There were no data security breaches or losses during the year.

Significant Governance Issues

There are no further significant governance issues.

Conclusion

The aim of this statement is to ensure that information is provided as to how governance within NICIE has worked for the year to 31 March 2015 and identifies a range of significant governance issues that NICIE is facing during a period of significant change. I can confirm that I will continue to review these issues and ensure that they are addressed. This governance statement was presented to the Audit and Risk Assurance Committee and formally approved by the Audit and Risk Assurance Chair on 6 May 2015.

Signature of Accounting Officer



Noreen Campbell

Date of Signature

16 June 2015

Remuneration report

Remuneration Policy

The remuneration of all Council staff is determined by the NICVA National Joint Council for local authorities and other authorities of equivalent status. The National Joint Council's principal role is to reach agreement, based on shared values, on a national scheme of pay and conditions for local application throughout the UK.

The NICVA National Joint Council's guiding principles are to support and encourage:

- High quality services delivered by a well-trained, motivated workforce with security of employment. To this end employers are encouraged to provide training and development opportunities for employees;
- Equal opportunities in employment; equality as a core principle which underpins both service delivery and employment relations; and both the removal of all discrimination and the promotion of positive action;
- A flexible approach to providing services to the community, which meets the needs of employees as well as employers; and
- Stable industrial relations and negotiation and consultation between employers and recognised trade unions.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Board and most senior management of the department.

Remuneration (audited information)

	2014-2015					2013-2014				
	Salary £'000	Benefits in kind (to nearest £100)	Bonus	Pension Benefits (to nearest £1,000)	Total (£'000)	Salary £'000	Benefits in kind (to nearest £100)	Bonus	Pension Benefits (to nearest £1,000)	Total (£'000)
N Campbell <i>Chief Executive Officer</i>	55-60	100	-	11,000	65-75	55-60	200	-	10,000	65-75
M Johnston <i>Finance Officer</i>	35-40	100	-	7,000	40-50	35-40	100	-	7,000	40-50
C Scott Wills* <i>Senior Development Officer</i>	35-40	100	-	7,000	40-50	35-40	300	-	7,000	40-50
B Kells <i>Senior Development Officer</i>	35-40	-	-	7,000	40-50	35-40	100	-	7,000	40-50
Frances Donnelly <i>Senior Development Officer</i> <i>(full Time equivalent 40-45)</i>	35-40	100	-	7,000	40-50	15-20	100	-	4,000	15-25
Band of highest paid director's total remuneration	55-60	100	-	10,000	65-75	55-60	100	-	10,000	65-75
Median total remuneration	25-30	100	-	-	-	25-30	100	-	-	-
Pay multiple	1:2:4	-	-	-	-	1:2:4	-	-	-	-

*Senior Development Officer Lorna McAlpine is on secondment with DEL and is replaced by Cliodhna Scott-Wills

Remuneration report (continued)

Pension Entitlement

The value of pension benefits during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increase due to inflation or any increase or decreases due to a track of pension rights.

Salary

'Salary' includes gross salary and any allowances all of which are subject to UK taxation. This report is based on payments made by the Council and thus recorded in these financial statements.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Bonuses

No bonuses were paid during the year to 31 March 2015 (2014: £nil).

Off payroll engagements

During the year there were no off payroll engagements (2014: none).

Remuneration report (continued)

Pension entitlements

Officials	Accrued pension at age 60 as at 31 March 2015 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31 March 2015 £'000	CETV at 31 March 2014 £'000	Real increase in CETV £'000	Employer contribution to partnership payment Nearest £100
N Campbell <i>Chief Executive Officer</i>	0-5 No lump sum	0-2.5	92	76	16	-
M Johnston <i>Senior Development Officer</i>	0-5 No lump sum	0-2.5	18	11	7	-
C Scott Wills <i>Senior Development Officer</i>	0-5 Plus lump sum of 0-10	0-2.5	84	75	7	-
B Kells <i>Senior Development Officer</i>	0-5 No lump sum	0-2.5	32	22	9	-
L McAlpine <i>Senior Development Officer</i>	5-10 Plus lump sum of 10-20	0-2.5	169	148	19	-
F Donnelly <i>Senior Development Officer</i> (on secondment to 1.11.2008)	5-10 Plus lump sum of 15-20	25-30	151	-	148	-

Pension entitlements

The Council is a member of the Northern Ireland Local Government Officers' Pension scheme. The Scheme is a defined benefit scheme, which provides a career average regarding evaluated basis. For each year of service up to 31 March 2009, an individual in the NILGOSC Scheme will accrue retirement benefits at the rate of 1/80th (pension) and 3/80th (tax free lump sum) of their pensionable salary. For each year of service after 1 April 2009 the retirement benefits accrued will be at the rate of 1/60th (pension only) of their pensionable salary. The accrued rate from 1 April 2014 will be 1/49th. In addition members can choose to commute some of their pension to provide a tax free lump sum of up to 25% of the capital value of their pension assets.

All pensions (including spouses' pensions, children's pensions, age pensions, ill health pensions, redundancy pensions provided the pensioner is aged 55 or over and preserved benefits) are index-linked and increased each year in line with inflation, as measured by the Consumer Price Index (CPI). Prior to 2011, pensions were increased in line with the Retail Price Index (RPI). The Government determines this increase each year by way of the Local Government Superannuation – Pensions Increase (Review) Order (Northern Ireland) 2002.

The Scheme is funded by contributions made by both employees and employers who have been admitted to the Scheme.

Employee contribution rates depend on their pensionable remuneration but will be between 5.5% and 7.5%, while employer contribution rates are determined by the Scheme's actuary every three years and the rate is currently 20%.

The Scheme is a statutory public service pension scheme as defined by the Pensions Schemes Act 1993 and is regulated by the Local Government Pension Scheme (Northern Ireland) Regulations 2009. As a public service pension scheme, the Scheme is contracted out of the State Second Pension (S2P) and is exempt approved for purposes of Chapter 1 of Part XIV of the Income and corporation Taxes Act 1988; full tax relief is granted on members' and employers' contributions paid to the Fund.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age.

Remuneration report (continued)

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value ("CETV") is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-2004 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Pension Entitlement

The value of pension benefits during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increase due to inflation or any increase or decreases due to a track of pension rights.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

There was no compensation paid for loss of office in the year to 31 March 2015 (2014: £nil).



Noreen Campbell
Chief Executive Officer
16 June 2015

Independent auditors' report to the members of The Northern Ireland Council for Integrated Education (Company limited by guarantee)

Our opinion

In our opinion, The Northern Ireland Council for Integrated Education's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and cash flows 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.

What we have audited

The Northern Ireland Council for Integrated Education's financial statements comprise:

- the statement of financial position as at 31 March 2015;
- the statement of financial activities (including income and expenditure account) for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on regularity

In our opinion, all the income and expenditure have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion:

- the part of the Remuneration report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Directors' report, Annual report, Chief Executive Officer's report, Annual Governance Statement and the unaudited part of the Remuneration report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of The Northern Ireland Council for Integrated Education (Company limited by guarantee) (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to prepare financial statements in accordance with the small companies regime. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of accounting officer's and directors' responsibilities set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Director's report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Martin Pitt (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
16 June 2015

**Statement of financial activities (including income and expenditure account)
for the year ended 31 March 2015**

	Note	2015 £	2014 £
Incoming resources/income			
Incoming resources from generated funds			
- Voluntary income	3	734,370	848,916
Incoming resources from charitable activities			
- Contribution towards property related costs		-	14,238
Other incoming resources	8	9,558,053	-
Total incoming resources		10,292,423	863,154
Resources expended/expenditure			
Charitable activities			
- Development of integrated education and schools in Northern Ireland		(735,322)	(833,171)
- Property related costs	6	-	(228,258)
Governance costs		(10,390)	(14,766)
Other resources expended			
- Other finance costs	7	(18,000)	(20,000)
Total resources expended		763,712	(1,096,195)
Net incoming/(outgoing) resources before recognised gains and losses	4	9,528,711	(233,041)
Loss on vesting from investments in school buildings		-	(30,893)
Remeasurement on defined benefit pension		(138,000)	104,000
Net movement in funds		9,390,711	(159,934)
Funds at 1 April		(9,908,840)	(9,748,906)
Funds at 31 March	19	(518,129)	(9,908,840)

All amounts above relate to the continuing restricted operations of the company.

There is no material difference between the net outgoing resources before recognised gains and losses for the financial year stated above, and the historical cost equivalent.

The net outgoing resources before recognised gains and losses is the net outgoing resources required by the Companies Act 2006 as opposed to that required by the Statement of Recommended Practice.

There are no changes in equity other than the results shown in the statement of financial position therefore a separate statement of changes in equity has not been presented.

The Northern Ireland Council for Integrated Education
 (Company limited by guarantee)

Statement of financial position as at 31 March 2015

	Note	2015 £	2014 £
Non-current assets			
Property, plant and equipment	9	2,971	2,172
Current assets			
Trade and other receivables	11	19,279	23,471
Cash and cash equivalents	12	79,670	77,996
		98,949	101,467
Total assets		101,920	103,639
Current liabilities			
Trade and other payables	13	(56,049)	(9,618,479)
Non-current assets less net current liabilities		45,871	(9,514,840)
Non-current liabilities			
Pension liabilities	15	(564,000)	(394,000)
Total assets less liabilities		(518,129)	(9,908,840)
Reserves			
Restricted funds	17	(518,129)	(9,908,840)

The financial statements on pages 31 to 44 were approved by the Board of directors on 16 June 2015 and were signed on its behalf by:



Alan Henry OBE
 Chairperson



Noreen Campbell
 Chief Executive Officer

The Northern Ireland Council for Integrated Education
 (Company limited by guarantee)

Statement of cash flows for the year ended 31 March 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities		8,627,390	38,556
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,971)	(2,357)
Proceeds from disposal of investment in school buildings		-	642,182
Net cash (outflow)/inflows from investing activities		(2,971)	639,825
Net increase in cash and cash equivalents in the year		8,624,419	678,381
Cash and cash equivalents at the beginning of the year		(8,544,749)	(9,223,130)
Cash and cash equivalents at the end of the year	18	79,670	(8,544,749)

Reconciliation of net outgoing reserves to net cash inflow from continuing operating activities

	2015 £	2014 £
Net incoming/(outgoing) resources before recognised gains and losses	9,528,711	(233,041)
Depreciation on tangible fixed assets	2,171	4,428
Movement in trade and other receivables	4,193	31,813
Movement in trade and other payables	(939,685)	209,356
Other finance costs	18,000	20,000
Difference between pension charge and cash contributions	14,000	6,000
Net cash inflow from continuing operating activities	8,627,390	38,556

Notes to the financial statements for the year ended 31 March 2015

1 Statement of accounting policies

These financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005 and the principles of the 2014-15 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance and Personnel. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of The Northern Ireland Council for Integrated Education for the purpose of giving a true and fair view has been selected. The particular policies adopted by The Northern Ireland Council for Integrated Education are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

Accounting convention

These financial statements have been prepared under the historical cost.

Going concern

Banking facilities have been agreed with the Council which the directors believe are efficient to enable them to continue as a going concern and in doing so settle all liabilities as they fall due. As a result of the waiving of the Club Bank debt and a review of projections for the Council, the Council are satisfied that they have sufficient resources available to meet their liabilities as they fall due for a least twelve months from the date of signing these financial statements. Accordingly, the directors consider that the use of the going concern basis is appropriate.

The financial structuring have been prepared on the going concern basis which assumes that the Council will continue in operational existence for the foreseeable future. The use of the going concern basis is considered appropriate due to the successful restructuring on the Club Bank debt of the Council which resulted in the amounts outstanding of £9,558,053 being waived.

Property, plant and equipment and depreciation

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

For all assets depreciation is calculated so as to write off the cost less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, or over the life of project, whichever is earlier. The principal annual rates used are as follows:

Information technology	:	33 $\frac{1}{3}$ %
Furniture and fittings	:	20%

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes to the financial statements for the year ended 31 March 2015

1 Accounting policies (continued)

Cash and cash equivalents

In the cash flow statement cash and cash equivalents includes cash in 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 borrowings in current liabilities on the balance sheet.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Grants that relate to specific revenue expenditure are credited to the statement of financial activities when received.

Taxation

The Company is registered as a charity for tax purposes and is exempt from corporation tax on its activities. The activities of the company are exempt for value added tax purposes. The company therefore does not have to account for value added tax on its income nor is it able to recover the value added tax element of expenditure.

VAT

The company is not registered for VAT. All expenditure and capital purchase in the financial statements is stated inclusive of VAT.

Pension funding

Retirement benefits to employees of the Council are provided by the Northern Ireland Local Government Officers Superannuation Committee ("NILGOSC") defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme.

In respect of this scheme, the Council's staff constitute only a small percentage of the overall membership. The Council has no influence over the level of contributions.

In previous years the Council's share of the NILGOSC scheme could not be identified and in keeping with such multi-employer schemes the Council treated its pension cost as if it were a defined contribution (rather than a defined benefit) scheme. In late 2006 NILGOSC separated each of the employer scheme details and, as a result, the Council has had to incorporate the year end deficit on the scheme in its balance sheet and the movement on the scheme within the statement of financial activities.

The assets of the NILGOSC scheme are held separately from those of the Council. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The service cost and associated administration costs of the council's defined benefit pension scheme are charged to net outgoing resources before recognised gains. In addition, a retirement benefit interest charge on the net pension deficit is charged to the statement of financial activities as a finance cost. Actuarial gains and losses are recognised directly in statement of financial activities so that the council's balance sheet reflects the fair value of the scheme's surplus or deficit at the balance sheet date.

Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the financial statements for the year ended 31 March 2015

1 Accounting policies (continued)

Incoming resources

Grants

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Other income

Other income, which excludes value added tax, is accounted for on the accruals basis.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs

Governance costs include those incurred in the governance of its assets which are associated with constitutional and statutory requirements.

Bank interest

All interest is accounted for in the statement of financial activities on the accruals basis.

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

Fund accounting

The Council has one type of fund for which it is responsible. The definition of this fund is as follows:

Restricted funds

Restricted funds, subject to specific trusts, are those given to the Council which are to be expended for the specific objects specified by the donor.

2 Statement of operating costs by operating segment

The trustees consider that the company acts as one operating segment and therefore no statement of operating costs by operating segment has been presented.

Notes to the financial statements for the year ended 31 March 2015

3 Voluntary income

	2015	2014
	£	£
Department of Education Northern Ireland	683,000	646,000
International Fund for Ireland	-	165,670
Department of Foreign Affairs	40,293	13,101
Other	11,077	24,145
	734,370	848,916

4 Net outgoing resources before recognised gains and losses

	2015	2014
	£	£
This is stated after charging:		
Staff costs (Note 5)	464,447	453,319
Payment of property related costs	-	16,928
Depreciation on tangible fixed assets – owned assets	2,171	4,428
Fees payable to the company's auditors for the audit of the financial statements	6,000	6,000
Operating lease rentals - property	17,500	17,500

5 Staff numbers and related costs

	2015	2014
	£	£
Wages and salaries	375,582	353,619
Social security costs	27,012	26,822
Other pension costs	61,853	72,878
	464,447	453,319

During the year the charity incurred costs of £60,425 (2014: £32,300) relating to agency staff and secondees.

	Number	Number
The average monthly number of persons employed by the company (including directors) during the year was:	11	11

The Directors received £nil for reimbursement of expenses during the year (2014: £nil). One employee falls in emoluments band over £60,000 (2014: £60,000) and details are below.

	2015	2014
	£	£
Chief Executives' remuneration	56,027	56,027
Company pension contributions to NILGOSC pension scheme	10,958	10,958
	66,985	66,985

The chief executive is a non-contributory member of the NILGOSC pension scheme. This is a statutory scheme which provides benefits on a final salary basis at a normal retirement age of 65. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service.

Notes to the financial statements for the year ended 31 March 2015

6 Property related costs	2015	2014
	£	£
On bank loans and overdrafts	-	228,258

7 Other finance costs	2015	2014
	£	£
Expected return	61,000	52,000
Interest cost	(79,000)	(72,000)
	(18,000)	(20,000)

8 Exceptional Item – waiver of loan

During the year the Club Bank debt was restructured which resulted in the amounts outstanding being waived and a £9,558,053 credit to the income and expenditure account.

	2015	2014
	£	£
Club Bank Waiver	9,558,053	-

9 Property, plant and equipment

	Information technology £	Furniture and fittings £	Total £
Cost			
At 1 April 2014	62,994	25,682	88,676
Additions	2,742	229	2,971
Disposals	(15,000)	-	(15,000)
At 31 March 2015	50,736	25,911	76,647
Accumulated depreciation			
At 1 April 2014	62,240	24,264	86,504
Charge for the year	754	1,418	2,172
Disposals	(15,000)	-	(15,000)
At 31 March 2015	47,994	25,682	73,676
Net book amount			
At 31 March 2015	2,742	229	2,971
At 31 March 2014	754	1,418	2,172

Notes to the financial statements for the year ended 31 March 2015

9 Property, plant and equipment (continued)

	Information technology £	Furniture and fittings £	Total £
Cost			
At 1 April 2013	62,153	24,166	86,319
Additions	841	1,510	2,357
At 31 March 2014	62,994	25,682	88,676
Accumulated depreciation			
At 1 April 2013	62,153	19,923	82,076
Charge for the year	87	4,341	4,428
At 31 March 2014	62,240	24,264	86,504
Net book amount			
At 31 March 2014	754	1,418	2,172
At 31 March 2013	-	4,243	4,243

10 Financial instruments

As the cash requirements of The Northern Ireland Council for Integrated Education largely are met through Grant-in-Aid provided by DENI, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the NDPB's expected purchase and usage requirements and the NDPB is therefore exposed to little credit, liquidity or market risk.

11 Trade and other receivables

	2015 £	2014 £
Trade receivables	11,672	11,568
Prepayments and accrued income	7,607	11,903
	19,279	23,471

The fair values of trade and other receivables are not materially different from the carrying values.

All of the charity's financial assets are classified as loans and receivables. The company has no assets that may be classified as held at fair value through profit and loss, derivatives used for hedging or available-for-sale.

Notes to the financial statements for the year ended 31 March 2015

12 Cash and cash equivalents

	2015	2014
	£	£
Balance at 1 April	77,996	59,986
Net change in cash and cash equivalents	1,694	18,010
Balance at 31 March	79,690	77,996

The following balances at 31 March were held at:

Commercial banks and cash in hand	79,690	77,996
-----------------------------------	--------	--------

13 Trade and other payables

	2015	2014
	£	£
Bank loans (Note 14)	-	8,622,745
Trade payables	3,315	-
Accruals and deferred income	52,734	995,734
	56,049	9,618,479

The fair value of trade and other payables are not materially different from their carrying value as the impact of discounting is not significant. There is no difference between the amounts shown above and the total contractual undiscounted cash flows of trade and other payables.

14 Loans and other borrowings

	2015	2014
	£	£
Bank loans	-	8,622,745
Maturity of financial liabilities:		
In one year or less, or on demand	-	8,622,745

The previous bank loans were secured through a club bank arrangement with the banks and was waived in 2014.

Notes to the financial statements for the year ended 31 March 2015

15 Pension commitments

The net pension 'liability' shown below does not represent a shortfall which requires short term cash funding. The amount shown below is calculated to comply with the new Financial Reporting Standard, the specific requirements of which differ from the basis on which pension liabilities are actuarially calculated for the purpose of the ongoing funding of the scheme. The Financial Reporting Standard requires:

- (i) actuarial deficiencies to be recognised immediately as a "liability" in the financial statements rather than being spread forward over employees' remaining service lives;
- (ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

IAS 19 figures in relation to employees and ex-employees who are members of the NILGOSC pension scheme.

	2015	2014
Rate of increase in salaries	4.5%	4.8%
Rate of increase in pensions in payment	2.0%	2.3%
Discount rate	3.2%	4.4%
Inflation assumption	3.0%	3.3%

The mortality assumptions used were as follows:

	2015 Years	2014 Years
Average expected future life at age 65 for:		
Male currently aged 65	21.6	21.9
Female currently aged 65	24.0	24.5
Male currently aged 45	23.3	23.6
Female currently aged 45	26.0	26.1

The market value of assets in the scheme and the expected rate of return were:

	Value at 31 March 2015 £	Value at 31 March 2014 £
Equities	1,107,000	912,000
Property	246,000	203,000
Gilts	205,000	169,000
Cash	82,000	68,000
Total market value of assets	1,640,000	1,352,000
Present value of funded scheme liabilities	(2,204,000)	(1,746,000)
Net pension liability	(564,000)	(394,000)

Notes to the financial statements for the year ended 31 March 2015

15 Pension commitments (continued)

Reconciliation of present value of scheme liabilities

	2015	2014
	£	£
At 1 April 2014	1,746,000	1,642,000
Service cost	84,000	73,000
Member contributions	23,000	22,000
Interest cost	79,000	72,000
Remeasurement on scheme liabilities	278,000	(57,000)
Benefits paid	(6,000)	(6,000)
At 31 March	2,204,000	1,746,000

Reconciliation of fair value of scheme assets

	2015	2014
	£	£
At 1 April 2014	1,352,000	1,170,000
Expected return	61,000	52,000
Remeasurement on scheme assets	140,000	47,000
Employer contributions	70,000	67,000
Member contributions	23,000	22,000
Benefits paid	(6,000)	(6,000)
At 31 March	1,640,000	1,352,000

Scheme assets do not include any of The Northern Ireland Council for Integrated Education's own financial instruments, or any property occupied by The Northern Ireland Council for Integrated Education.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Analysis of amount charged to statement of financial activities:

	2015	2014
	£	£
Service cost	84,000	73,000
Expected return	(61,000)	(52,000)
Interest cost	79,000	72,000
Remeasurement on defined benefit pension scheme	170,000	104,000
	272,000	197,000

Notes to the financial statements for the year ended 31 March 2015

15 Pension commitments (continued)

Amounts for current and previous four years:

	2015 £	2014 £	2013 £	2012 £	2011 £
Scheme liabilities	(2,204,000)	(1,746,000)	(1,642,000)	(1,352,000)	(1,161,000)
Scheme assets	1,640,000	1,352,000	1,170,000	943,000	884,000
Deficit in scheme	(564,000)	(394,000)	(472,000)	(409,000)	(277,000)
Experience adjustments on scheme assets					
Amount (£)	140,000	47,000	108,000	(44,000)	26,000
Experience adjustments on scheme liabilities					
Amount (£)	17,000	-	-	1,000	200,000

16 Members liability

The liability of each member is limited to £10.

17 Reserves - restricted funds

	2015 £	2014 £
At 1 April	(9,908,840)	(9,748,906)
Net outgoing resources before recognised losses	9,538,771	(233,041)
Actuarial remeasurement on defined benefit pension scheme	(148,000)	104,000
Loss on vesting from investment in school building	-	(30,893)
At 31 March	(518,129)	(9,908,840)

The net liabilities at the year-end include a deficit of £564,000 (2014: £394,000) in respect of pension scheme liabilities of the NILGOSC pension fund.

18 Analysis of net funds

	1 April 2014 £	Cash flow £	31 March 2015 £
Cash at bank and in hand	77,996	1,674	79,670
Bank loans	(8,622,745)	8,622,745	-
Net funds	(8,544,749)	8,624,419	79,670

Notes to the financial statements for the year ended 31 March 2015

19 Financial commitments

At 31 March the company had annual commitments under non-cancellable operating leases expiring as follows:

	Property	Property
	2015	2014
	£	£
Within two to five years	17,500	17,500

20 Contingent liabilities

The company has a contingent liability to repay revenue grants received, if certain conditions are not fulfilled.

21 Capital commitments

At 31 March 2015 the company had no capital commitments (2014: none).

22 Losses and special payments

At 31 March 2015 the company had no losses and special payments (2014: none).

23 Related party transactions

NICIE is a Non-Departmental Public Body (NDPB) sponsored by the DENI. The DENI is regarded as a related party. During the year, NICIE has had various transactions with the DENI and with other entities for which DENI is regarded as the parent Department.

None of the board members, members of the key management staff or other related parties have undertaken any material transactions with NICIE during the year (2014: none). As per the register of interests maintained by NICIE there were no conflicts of interest during the year (2014: none).

24 Ultimate controlling party

There is no ultimate controlling party.