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

Directors' report and financial statements

for the year ended 31 March 2014

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

on

November 2014

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

Directors' Report and financial statements for the year ended 31 March 2014

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

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Reference and administrative details

President

Colm Cavanagh

Directors/Trustees

Ian McMorris (Chairperson)
Michael Morrow (resigned 22 November 2013)
David Clement OBE
Ian McKay
Martin Stroud
Tim Webster
Dermot MacCann (Treasurer)
Steven Agnew
David Burgess
Helen McLaughlin
Vincent Fulham MBE
Brendan O'Loan
Helen Hamilton
Heather Watson
Julia Paul (appointed 19 December 2013)
Ann McCann (appointed 19 December 2013)
Ciarnan Helferty (appointed 19 December 2013)
Olwen Griffith (appointed 01 August 2013)

Company Secretary

Martin Stroud

Senior management members

Noreen Campbell (Chief Executive Officer)
Maureen Johnston (Finance Officer)
Cliodhna Scott Wills (Senior Development Officer for Lorna McAlpine, seconded to 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

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

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Directors' report for the year ended 31 March 2014

The directors, who are also trustees, present their annual report and the audited financial statements for the year ended 31 March 2014. 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 (FRM) 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 FRM apply International Financial Reporting Standard as adopted or interpreted for the public sector context.

Going concern

In the year ended 31 March 2014, the Council had net outgoing resources of £159,934 (2013: £290,916). This includes a net pension liability of £394,000 (2013: £472,000). For further details of the pension liability please refer to note 15 of the financial statements. Overall, at the year end, the Council had liabilities in excess of assets of £9,908,840 (2013: £9,748,906).

The financial statements 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 £9,555,053 being waived.

Banking facilities have been agreed with the Council which the directors believe are sufficient 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 at 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.

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.

Directors' report for the year ended 31 March 2014

Structure, Governance and Management (continued)

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 International Fund for Ireland ("IFI"), the Department of Foreign Affairs and others to promote the work of the organisation.

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:

- The threat to NICIE as a 'going concern';
- 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.

Directors' report for the year ended 31 March 2014

Objectives and activities of the Council

During the year the Council continued to operate in 3 key 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
3. The implementation of the Sharing Classrooms: Deepening Learning project funded by International Fund for Ireland ("IFI"). This project provides training to Area Learning Communities and to schools and teachers sharing classrooms with students from other schools which was completed in December 2013.

Achievements and performance

The statement of financial activities for the Council is set out on page 34.

All programmes are drawn up in accordance with best practice and link to the Strategic Aims of the Council. 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 34 to 48. The net outgoing resources for the year before recognised gains and losses was £233,041 (2013: Restated £247,916).

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 DENI's business plan it includes projects and work carried out which fall outside the Department's plan, and which are funded by various other agencies. The Council reports on its operations in its Annual Report. The Council has delivered on all its major undertakings in this current year.

Directors' report for the year ended 31 March 2014

Investment in school buildings

Investment in school buildings represents all capital costs incurred for each individual school project.

Individual schools and other bodies contribute towards the interest costs on the loans. These contributions can be greater or less than the actual interest incurred. It is therefore possible for the overdraft on a particular project to be greater (shortfall) or lower (surplus) than the carrying value of the investment. In all cases the Council seeks only to recoup the actual liability in the form of capital grant when the school passes to the Board of Governors. The final investment in school buildings was vested in March 2014 and all funds were recovered and repaid to the Club Banks.

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 £9,908,840 (2013: £9,748,906). This includes a net pension liability of £394,000 (2013: £472,000). For further details of the pension liability please refer to note 15 of the financial statements and the Remuneration report. The directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements on the basis that the Council's Club Bank debt has been waived post year-end.

Forward funding

The Council has secured sufficient income from a variety of donors for the year 2014 - 2015 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 Corporate Plan. However, it recognises that in an environment that is characterised by change, these goals may change.

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.

Directors' report for the year ended 31 March 2014

Strategic goals, objectives and activities (continued)

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 DE policy on transformation; work with political parties, DE 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 2013/2014 included the following:

- Active participation in area based planning through liaison with ELBs and other stakeholders.
- Detailed consultation with integrated schools.
- Submission of NICIE area plans to ELBs.
- Detailed response to consultation process, including supporting schools in their responses.
- Supporting 7 schools with Development Proposals.
- Providing support for NICIE associates in the area of pre-school development.
- Development of Pre-School Strategic Plan for NICIE.
- Supporting Loughries PS – transformation.
- Developing a new policy on 'positive pathways to integration' which will support a growth in integrated provision.
- Work with others to jointly support schools involved in NICIE's SC:DL and shared education projects.
- Consultation with integrated schools on Shared Education.
- Presentation, both written and verbal, to Ministerial Advisory Group on Shared Education.
- Liaison with IEF on promoting Integrated Education.
- Generating media debate on the promotion of IE.
- Conducting of 2 public opinion surveys which highlighted parental support for Integrated Education.

Directors' report for the year ended 31 March 2014

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 2013/2014 included the following:

- Oakgrove IPS Awarded the EIEA January 2013.
- 14 schools have received the toolkit for EIEA and are working their way through the process.
- Anti-Bias 3 day training delivered to 19 participants from 9 Schools, Nansen Dialogue and Stranmillis University College.
- Partnership with Corrymeela established to deliver Peer Mediation training.
- 2 day Train the Trainers session delivered to 15 primary schools - cross sectoral.
- 2 schools received whole school training for Peer Mediation.
- Facilitated 2 recruitment training sessions, delivered by the Equality Commission, for 23 Governors from 9 schools.
- Delivered sessions on Roles & Responsibilities for 22 Governors from 5 schools.
- Delivered visioning training for governors in 3 schools, recruiting new principals.
- Developed case studies as part of the Achieving through Integration, Inclusion and Diversity, in partnership with BELB.
- 3 integrated schools involved in a pilot project with The Ulster Scots Society & Foras Na Gaeilge.
- External verifier for Lagan College's Diversity in Action programme.
- Parent's Council training for 1 school and Parent's integration in practice for 1 school.
- Planned and facilitated, with staff from 3 Colleges, a Classroom Assistants Staff Development day in August 2013.
- Further development of partnership with RTU, steering group of principals established to develop and embed this partnership.
- Meetings of various forums held: Teachers committee, SENCO Forum, VP Forum, Bursars Forum.
- Successful conclusion and independent evaluation of Sharing Classrooms: Deepening Learning Project by ETI.
- 24 Area Learning Communities, 140 schools, 598 teachers, and 864 young people engaged in training throughout.

Directors' report for the year ended 31 March 2014

Strategic goals, objectives and activities (continued)

Achievements in 2013/2014 included the following:

- SC:DL project on "mixed emotions" drama and music. 33 Workshops including bespoke workshops delivered to year 11 and 12 year groups in 3 integrated colleges and post primary training days.
- Successful accreditation for 38 young people in mediation skills.
- Bespoke on-line training materials including guide for teachers in all schools on best shared classroom practice.
- Further development of Facing the Past: Shaping the Future.
- Website created and resources posted and disseminated including training for teachers.
- Further grant secured for this project.
- A number of presentations to International Study Groups (US /UK universities)

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 2013/2014 included the following:

- Supplement for the Irish News and Newsletter
- NICIE Newsletter
- 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.
- European teachers study trip - May 2013
- Presentations to Bradford University, International Peace studies Luther College USA, European teachers of English and meetings with various research students, International Social work students
- Hosted two visits by Nansen Dialogue - include participation in training and visiting 5 integrated schools
- Delivered a workshop to participants in the Nansen Dialogue training - Skopje December 2013
- Representation on the Anti-Bullying Forum Steering Group and the HAPANI Directors
- PEAG representation, JCF and Childcare Partnership

Directors' report for the year ended 31 March 2014

Strategic goals, objectives and activities (continued)

- Information stands at Stranmillis University College Careers Fair, Political party conferences and PTA NI event
- Continued representation of the CCEA RE Advisory group
- The launch of a Sharing Classrooms: Deepening Learning (SC:DL) website with links to new NICIE website and Area Learning Community hub sight Bright Futures.
- A showcasing conference for NICIE's SC:DL project for 100 delegates from all sectors, senior DE and ETI offices

Achievements in 2013/2014 included the following:

- Provision of key findings from SC:DL about future establishment of shared education models noted by ETI.
- A regular series of articles and opinion pieces in local newspapers.
- Promotional materials widely circulated through: Belfast Telegraph 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 development and dissemination of a data base including summaries of all research linked to integrated education.
- The further development of the Integrated Peace Education, Global Network.
- The continued partnership with Nansen Dialogue Centre, Macedonia.

Strategic Aim 4: Internal Capacity Building

To strengthen the organization 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.

Achievements in 2013/2014 included the following:

- The Strategic Plan 2013 – 2016 developed and approved
- Operational Plan 2013-2014 was developed and approved by Council and submitted to DE.
- The twelve month output report was completed.
- The Annual Report & Accounts for 2012/2013 were audited and submitted to DE.

Directors' report for the year ended 31 March 2014

Strategic goals, objectives and activities (continued)

- Appropriate Financial and Management Reports were produced for senior management team, FGPSA 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.

Achievements in 2013/2014 included the following:

- Terms of reference for 3 committees reviewed, amended and approved.
- 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 development of Staff Code.
- A number of staff policies were developed, reviewed, amended and approved by the FGSP Committee.

Fixed assets

Details of the movement of fixed assets are set out in note 8 to the financial statements.

Donations

The Council made no political donations during the year (2013: £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.

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.

Directors' report for the year ended 31 March 2014

Sickness Absence

The sickness absence rate for the year was 99 days (2013: 306 days). This has decreased compared to the previous year which has been welcomed by the BOD.

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 2014 NICIE paid 100% (2013: 100%) of its creditors within 30 days and no commission debt interest was paid or was due in respect of transaction in 2013/2014.

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 judgments 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 2014

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
7 November 2014

Annual report for the year ended 31 March 2014

When writing this last year I looked forward to NICIE becoming the Sectoral Support Body for the integrated sector. This was to be as part of the long delayed reorganisation of the sector with the creation of the Education and Skills Authority in place of the five Boards. None of this has happened and the system is reverting to the five body structure.

The Department has yet to consult with the Board of Directors on the future role and shape of NICIE in the evolving and foggy environment which is the education sector in Northern Ireland. We understand that we will not formally become a Sectoral Support Body and our status will remain as an NDPB. NICIE completed a significant review of its role and functions in preparation for becoming a sectoral support body. This review will inform our future role and we look forward to working with DE to evolve a budget and structure to support our work.

There has been some forward momentum on shared education following the Shared Education Advisory Group report although there is little sign of the resource and energy which was implied might be deployed. Meanwhile we in NICIE have continued to develop our Positive Pathways to Integration. This will provide schools, interested in becoming integrated, the opportunity to adopt policies and approaches which are more welcoming to all. This is not an alternative to Transformation but it is a path that may ultimately lead to Transformation and thus full integrated status.

The Board is also committed to the support of our existing integrated schools. Education has become a competitive environment and school enrolments are more than ever dependent on exam results and inspection reports. There is also increasing scrutiny of governance issues. Of particular concern is the proper conduct of the affairs of the limited companies which are intrinsic to grant maintained schools. NICIE is supporting schools in both the area of school improvement through ethos development and in conducting a review of good governance. Through the CEO and her team we will endeavour to continue to develop our support to schools and their Boards of Governors in meeting these and the many other existing and emerging challenges.



Ian McMorris
Chairperson
7 November 2014

Chief Executive Officer's report for the year ended 31 March 2014

The tide turns for Integrated Education

"... issues like segregated schools and housing, lack of jobs and opportunity -- symbols of history that are a source of pride for some and pain for others -- these are not tangential to peace; they're essential to it. If towns remain divided - if Catholics have their schools and buildings, and Protestants have theirs - if we can't see ourselves in one another, if fear or resentment are allowed to harden, that encourages division. It discourages cooperation."

In the year past the issue of integrated education has never been far from the headlines, not least during the historic visit of President Obama in June 2013. Speaking directly to young people across the province, he challenged young people to play their role in building a peaceful society and highlighted the importance of overcoming division in education.

It was this recognition of the role education can play in overcoming division which led to the development of integrated education. Over a period of 30 years, groups of parents, assisted by NICIE, came together from across the divide to establish their own schools. Their hopes were simple: they wanted schools where their children could be educated together as the norm. They wanted schools where the focus was on the child as an individual, not on the child as the presumed member of one or other tradition; they wanted schools where as parents they would be welcomed as full partners in their child's education; they wanted schools where brothers and sisters and children with a range of abilities could be educated together. They were met with hostility and obstacles but they persevered and today there are 62 such schools, testament to the determination and vision of those parents.

Today in divided societies around the world, educators look to the experience of Integrated Education in Northern Ireland for inspiration. Today, in Northern Ireland, the argument for educating children together has been won. During the year, a series of polls carried out by NICIE and by the IEF showed strong and consistent public and parental support for integrated education. Department of Education (DE) policy on Shared Education is based on the recognition that children are entitled to learn together; ensuring opportunities for such learning is now DE policy. NICIE is proud of the role it has played in promoting Integrated Education, in supporting parents and schools and in keeping the argument for integrated education firmly on the public agenda.

During the year, past NICIE has played a full role in area based planning. We have sat on the Steering Group established to oversee this process. We have argued tirelessly for planning to move beyond sectoral planning. We have carried out polls in specific areas which have clearly identified parental preference for Integrated Education. We have supported parents' groups and schools seeking integrated provision. We have produced evidence that shows that parental choice for Integrated Education is not being met. Each year, hundreds of families are unsuccessful in their application for integrated places, in many areas there is no integrated choice available. We have focused on the scandal of preschool education where children start their school journey in preschool provision that is too often segregated. This year has seen NICIE consistently arguing for parental preference for integrated education to be assured, for an integrated choice to be available in every area and for preschool education to be genuinely integrated and welcoming to all.

To support these aims NICIE has continued to develop new approaches through 'Positive Pathways to Integrated Education'. During the year an intensive consultation exercise was held both within the integrated family and with the wider educational world. The emerging policy has been significantly refined. NICIE has kept the Minister for Education and DE fully informed of progress in this area and we are now confident that we can develop partnerships which will allow schools to develop and be recognised for their integrated ethos. It is expected that this policy will be piloted with a small number of schools in the coming year.

Chief Executive Officer's report for the year ended 31 March 2014 (continued)

This year was supposed to be marked by the implementation of the Education and Skills Authority (ESA). That has not happened. NICIE had undertaken significant preparation for taking on the role of Sectoral Support Body for integrated schools. This focus on how we connect, support and share good practice between our integrated schools will continue. Our schools are connected not only by their commitment to integrated education, but also by their commitment to excellence in education. We have always recognised the absolute imperative to ensure the highest standard of education for the children attending integrated schools. NICIE has been able to increase our support to schools through the use of our Panel of Associates. This has allowed us to carry out an analysis of inspections in integrated schools, to undertake a comparative study of outcomes across our schools and to appoint serving leaders in integrated schools to work across the schools, identifying and sharing best practice. NICIE continues to partner APTIS in the hosting of what has become an important annual event, the APTIS/NICIE spring conference and supports the various forums which connect teachers in our schools.

This year NICIE has also been able to support schools in reviewing governance and in ensuring best practice at this level.

During the year, NICIE maintained and further developed its international dimension. We were pleased to attend an integrated education conference in Macedonia and to develop further our partnership with Nansen Centre for Integrated Education, Macedonia. Training from NICIE staff members, Clodhna Scott-Wills and Paula McIlwaine was much appreciated by our Macedonian colleagues.

The Minister for Education has accepted the recommendations of the Advancing Shared Education Report. NICIE remains committed to playing a full part in supporting the development of shared education. The successful implementation and conclusion of the *Sharing Classrooms: Deepening Learning* Project, which was funded by the International Fund for Ireland provides a body of expertise and set of resources which will allow NICIE to take a lead in this area. We have also continued our work *Facing the Past: Shaping the Future*, funded by the Department of Foreign Affairs in Dublin, creating resources to support teachers in commemorating the decade of anniversaries. NICIE offers thanks to both of these funding bodies for supporting these important projects.

NICIE is well served by its staff and its board of directors. The board has continued a process of evaluation and improvement. They have been deeply involved in developing NICIE's strategic plan, 2013–2016.

This strategy will continue to be informed by the guiding principles of integrated education summed up by President Obama in his speech:

“Ultimately, peace is just not about politics. It's about attitudes; about a sense of empathy; about breaking down the divisions that we create for ourselves in our own minds and our own hearts that don't exist in any objective reality, but that we carry with us generation after generation...It's within your power to bring about change...The terms of peace may be negotiated by political leaders, but the fate of peace is up to each of us.”

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, a non statutory body was established in 1989 under Article 64(2) of the Education Reform (Northern Ireland) Order 1989. NICIE was set up as a company limited by guarantee with charitable status.

The aim of NICIE, as established and supported through grant aid by DE and defined in the Education Reform (NI) Order 1989, is 'to encourage and facilitate the development of integrated education and schools 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 2013-2014.

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 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 a public body and designated NDPB I am committed to governance excellence and to ensure 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).

Strategic Objectives

There have been significant steps taken to establish and implement strategic planning processes within NICIE over the last number of years which have sought to clarify the role and vision of the organisation. The corporate/strategic planning process has evolved and developed into establishment of real-time plans and processes to ensure clarity on the way forward for NICIE and I have ensured that this has been maintained during the year 2013-2014 in partnership with all staff, Board of Directors (BoD) and relevant stakeholders.

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.

NICIE Environment and challenges

The educational system in Northern Ireland is going through a period of considerable change. Throughout the year there was continued uncertainty with regard to the future of Education and Skills Authority (ESA) despite NICIE being asked to present a business case to act as a Sectoral Support Body with effect from 1 April 2014. The process of Area Based Plan (ABP) is on-going. There is an ever increasing focus on the role of Shared Education.

The importance of integrated education, both as an example of optimum sharing and as a critical sector within the educational system, was alluded to by the Minister in his speech to the assembly on 22 October 2013. There is a continuing need to focus on developing school ethos to support school improvement. These policies and initiatives impact on the range and depth of the work of NICIE and on behalf of NICIE I am directed by the minister to play a significant role in supporting DE in implementing this duties and policies. As an outcome of the above changes and in the context of the demographic and societal change impacting on education, NICIE is seeking to promote and expand integrated education.

Annual Governance Statement (continued)

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 2013-14 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.

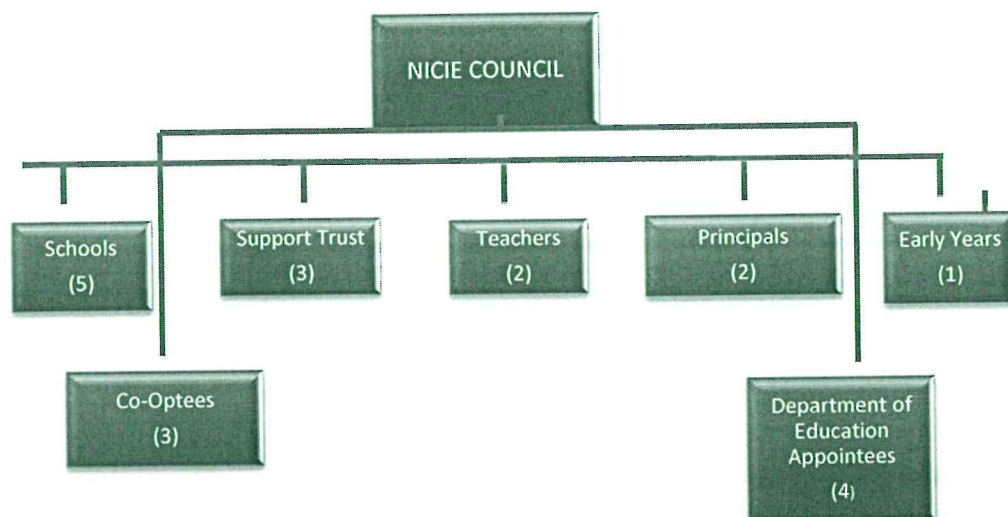
Structure of NICIE

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 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



Annual Governance Statement (continued)

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 | Organisation 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

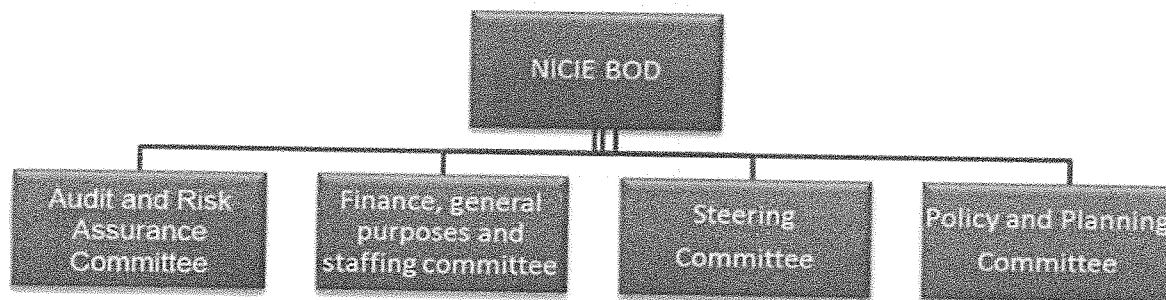
1 member
Nominated by teachers committee | Those engaged in running pre-school provision in a particular integrated school. |
| 6. | Co-Optees

3 directors | To provide additional experience |
| 7. | Department of Education

4 persons appointed by the
Department of Education | |

Board and Committees Structure

A number of committees serve and report to the Board of Directors and are highlighted 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 must be noted that despite requests to the DE, there continues to be no DE representatives on the Board for 2013-2014. This had been deferred by the Department due to the pending implementation of ESA. A detailed list of all directors and dates of appointment and cessation is highlighted in page 2 of the financial statements.

Annual Governance Statement (continued)

Attendance at Meetings

Directors/members and attendees attendance at meetings held during 2013-2014 is detailed below:

Member	Board of Directors 7 meetings	Audit & Risk Assurance 4 meetings	Finance, General Purposes and Staffing Committee 9 meetings	Policy and Planning Committee 3 meetings
I McMorris	6	-	8	2
M Stroud	5	-	9	1
H McLaughlin	6	-	-	2
M Morrow	3	-	6	-
H Hamilton	4	-	-	1
B O'Loan	1	-	-	1
D Clement	4	4	-	2
V Fullam	6	-	-	1
I McKay	5	2	-	1
S Agnew	3	-	-	-
D MacCann	6	-	7	1
T Webster	3	-	-	1
H Watson	2	-	-	-
S McAnec(Member)	-	4	-	-
M Anderson,(DE attendee)	-	4	-	-
Olwen Griffith	2	-	-	1
David Burgess	5	-	-	3
Julia Paul	1	-	-	-
Ann McCann	2	-	-	1
Ciaran Helferty	1	-	-	-

Annual Governance Statement (continued)

Performance of the Board

The BoD held 7 meetings in 2013/2014. A new chair was appointed in 2013 and it was agreed that the Board meetings would be designed to focus on strategy and the future direction of NICIE in the changing educational environment. The new chair also highlighted the need for full attendance at Board meetings and this was closely reviewed and monitored and reported on throughout the year.

It was also recognised that in the absence of DE representatives that NICIE needed to recruit new members with additional skills such as media and PR to complement the existing directors and ensure a balanced board. Three new directors were co-opted to meet these demands and all new directors were given extensive induction and training after an extensive recruitment process.

Following his appointment, the chairman started the process of conducting an annual review of all Directors reviewing attendance, learning and development, appraisal from the board's perspective and independent board members view under OFDFM guidance. Additionally issues relating to probity/conflicts of interest were addressed (DETI NDPB Assessment of Performance).

A considerable amount of the attention and planning during the year continued to be issues relating to the changing face of education within Northern Ireland with the drafting of the new education bill and proposal regarding the introductions of ESA and ensuring that Integrated Education remained at the forefront of Education in Northern Ireland when designated as a sectoral body. The Board also responded to the ongoing debate on shared education, reviewed and implemented the new strategic plan for 2013-2016. Additionally the Board reviewed reports from other sub committees including the annual internal audit report, monthly summary extract from the management accounts and approved the Annual business plan and associated budgets. A number of presentations were made during the year to the board including detailed independent market research which confirmed the ongoing need and parental requirement for Integrated Education across Northern Ireland. Accompanied by the Chairman and Finance Officer, I met the Permanent Secretary of DE three 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, which were reviewed and updated in the current year, the audit committee 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 2013/2014 and reviewed the risk register at each meeting and were satisfied that all risks were identified and corrective action taken where necessary. Some of the key risks are highlighted further in the report.

In addition the committee reviewed the results of the audit and assurance work and the implementation of audit recommendations. It also reviewed a number of policies including NICIE's Whistleblowing and Fraud Policy to ensure best practice. A summary report was presented to the BoD at each quarter during the year.

I identified and recommended to the Audit and Risk Assurance Committee the need for additional members and a new director has agreed to join the committee in April 2014. A representative from DE also sat on this committee for 2013-2014 which assisted in giving additional assurance to the committee that all audit requirements were being adhered to.

Annual Governance Statement (continued)

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

This committee continues to meet prior to the meeting of the Board of Directors. It met 9 times during the current year. 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 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 2014.

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 having 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 due to long term sick leave and additional requirements on NICIE due to the changing nature of education and a review was duly implemented. A business case for an organisational review is with DE for consideration. In addition the impact of vacancy control was reviewed and advice sought from Workforce in DE. The FGPSC was also responsible for the awarding of tenders for Internal Audit, Pension Audit, Cleaning Services and Market Research during the current year which were all adhered to under strict procurement procedures with the approval of DE.

Steering Committee

This committee was formed to keep close scrutiny on the situation in relation to NICIE’s position with the historic Club Banks debt. It is composed of officers of the board and Chair of the Audit and Risk Assurance Committee. This continued to be a major concern for me as Accounting Officer and the Board and was highlighted in the risk assessment of NICIE. I have, along with the steering committee directors, been taking on-going advice from a range of experts on company law and finance, including insolvency and liaising regularly with the banks and keeping DE updated with ongoing events.

Policy and Planning Committee

The Committee’s remit during the current year included:

The formulation of a summary of the core position and key characteristics of Integrated Education;
The formulation of pro-active campaigning to raise the profile for Integrated Education;
The lobbying of political parties and key organisations;
Engagement with change in the education sector on a broader level, especially in the current economic climate;
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 three 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. Members of the committee have been active in relation to the core developments in education policy in the last year, in particular around 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.

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 Audit, external auditors, and other reports for which I have received robust assurances.

It must be reiterated again that NICIE still does not have any DE representatives on its BoD. Additionally NICIE is still using its Management Statement (incorporating the financial memorandum) 2006 and has not received its new statement with new delegated limits; however this is being addressed and should be with NICIE early in the new financial year.

Annual Governance Statement (continued)

It should be noted that there was an irregular spend regarding commercial insurance (DFP) where appropriate DE and DFP approvals had not been secured and that NICIE had not met the required conditions for retrospective approval as outlined in Paragraph A.2.3.15 of MPMNI. NICIE has reviewed its internal procedures and has established additional controls to ensure that all services are reviewed and that business cases are submitted to the IMIE DE branch in a more timely fashion and that all approvals are obtained before any expenditure is committed. Additionally the IMIE branch of DE has also reviewed its internal procedures and business cases are being reviewed accordingly, without long delays.

Assurance Reporting

As Accounting Officer I am also responsible for preparing quarterly 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 NICIE's systems for processing payroll and the policies and procedures that are available to all staff. The audits 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. Additionally all prior year internal audit recommendations have been implemented. However the internal audit report did highlight that NICIE had a major internal weakness which was beyond its control. The report verified that NICIE had not paid staff increments under the agreed NICVA NJC terms of their contracts, however, as a NDPB, NICIE is subject to authorisation and approval from DFP before any such increments are paid. The DFP pay remittances have been submitted to DE but NICIE cannot pay these until this is processed and approved.

NICIE also received a grant from the International Fund for Ireland which was audited on a quarterly basis by DE and independently audited by KPMG and ASM Howarth. Substantial assurance was received for the grant funded project which completed in December 2013.

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.

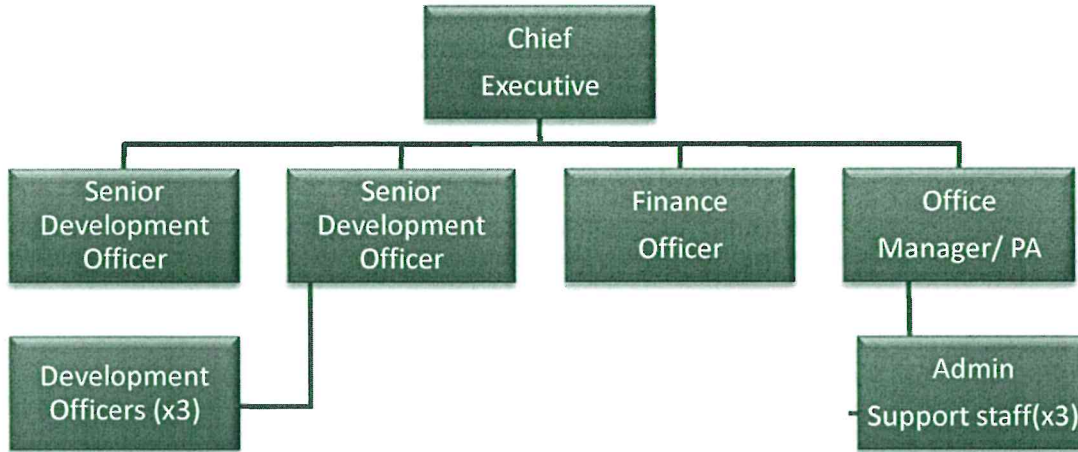
Quality of Data Used by the Board

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 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.

Annual Governance Statement (continued)

The staffing structure of NICIE is highlighted below:



Ministerial Directions

There were no Ministerial Directions given for the year to 31 March 2014.

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 Chair of the Audit and Risk Assurance Committee reports to each Board meeting on any matters that needs to be brought to their attention.

A bespoke Risk Assessment training day was carried out during the calendar year for all staff and directors to 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.

Risk Profile faced by NICIE

The NICIE corporate risk register currently identifies 6 significant risks.

The Risk profile of NICIE in 2012/2013 had 7 significant risks; however two of the risks were amalgamated which related to the changing educational environment and failure to increase integrated numbers while all the other risks remain the same.

As highlighted previously and reported in last year’s Corporate Risk Register, NICIE continues to manage the most contentious risk of NICIE continuing as a going concern regarding the historic Armagh bank debt with regular meetings with the Club banks.

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 has been made to mitigate these risks over the past 12 months.

Annual Governance Statement (continued)

The remaining risks other than the issue of going concern present the greatest challenge to NICIE and are all interlinked. The Education landscape continues to undergo significant changes and NICIE must ensure that it manages all risks to ensure that its functions and duties do not become diluted by the Shared Education debate

There is also a risk that NICIE does not have adequate capacity and resources to continue to meet its aims and objectives which has also been impacted by the failure to introduce ESA. Both these risks have been raised to a high level due to the uncertainty regarding ESA and the failure to recognise that NICIE needs additional resources and capacity to maximise its effectiveness and ensure that it continues to play a role in area based planning.

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 current

Data Security breaches

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

Significant Governance Issues

As part of this year's Governance statement and taking account of the views of internal and external assurance providers, I wish to declare the following as significant governance issues for the year 1 April 2013 to 31 March 2014.

NICIE as "going concern"

NICIE is no longer a 'going concern' and becomes insolvent because of outstanding Club Bank Debt on Armagh and the failure of the banks to renew the Council's Bank facilities or find a common resolution.

The Steering Committee of the Board of Directors continues to oversee issues relating to NICIE as a 'going concern' and have requested a meeting with the banks to find a resolution to enable NICIE to continue as a going concern. The banks have agreed to this meeting. Our legal advisors and external auditors have liaised with the banks to ensure we can continue to operate in this interim period. The Banks had committed to an extension to the facilities to NICIE subject to the successful vesting of the remaining school. The Armagh site has been sold at a significant loss and the remaining school has now been vested.

Organisational Review of NICIE and failure to implement ESA

The existing structure of NICIE has been in place since 2001 and the educational landscape has changed significantly since this. In preparation for the implementation of ESA and NICIE's proposed new designation as a Sectoral Support Body, NICIE had submitted to DE ESAIT a draft business case and grant application. The business case also included a proposal to review and improve staffing structure to ensure that NICIE was fit for purpose as a Sectoral Support Body. This process has been put on hold due to the failure to implement ESA.

On behalf of NICIE and at the request of the Board I have submitted a business case to obtain approval to appoint an independent provider to carry out an organisational review of NICIE against strategic aims and objectives.

In summary the work of NICIE is being reshaped by this combination of policies and strategies and NICIE must ensure it has adequate resources and an appropriate level of staffing to ensure that the above policies and strategic aims of the Department of Education are implemented to ensure an efficient and cost effective administration and organisational structure for the future.

Annual Governance Statement (continued)

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 2014 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 7 May 2014.



Signature of Accounting Officer

Noreen Campbell

Date of Signature

7 May 2014

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)

	2013-2014					2012-2013				
	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	200	-	10,000	65-75	55-60	100	-	10,000	65-75
M Johnston <i>Finance Officer</i>	35-40	100	-	7,000	40-50	25-30	-	-	5,000	30-40
C Scott Wills <i>Senior Development Officer</i>	35-40	300	-	7,000	40-50	30-35	100	-	6,000	35-45
B Kells <i>Senior Development Officer</i>	35-40	100	-	7,000	40-50	35-40	-	-	7,000	40-50
Frances Donnelly <i>Senior Development Officer</i> <i>(full Time equivalent 40-45)</i>	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

*Senior Development Officer Francis Donnelly returned from secondment on 1 October 2013

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 2014 (2013: £nil).

Off payroll engagements

During the year there were no off payroll engagements (2013: none).

Remuneration report (continued)

Pension entitlements

Officials

	Accrued pension at age 60 as at 31 March 2014 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31 March 2014 £'000	CETV at 31 March 2013 £'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	76	58	17	-
M Johnston <i>Senior Development Officer</i>	0-5 No lump sum	0-2.5	11	5	6	-
C Scott Wills <i>Senior Development Officer</i>	5-10 Plus lump sum of 5-10	0-2.5	75	68	6	-
B Kells <i>Senior Development Officer</i>	0-5 No lump sum	0-2.5	22	13	10	-
L McAlpine <i>Senior Development Officer</i>	5-10 Plus lump sum of 15-	-	148	136	8	-
Frances Donnelly <i>Senior Development Officer</i> (on Secondment to 1.11.2013)	0-5 No lump sum	0-2.5	-	-	4	-

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.

Remuneration report (continued)

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.

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 2014 (2013: £nil).



Noreen Campbell
Chief Executive Officer
7 November 2014

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its outgoing resources and application of resources, including its income and expenditure 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.

This opinion is to be read in the context of what we say in the remainder of this report.

Opinion on regularity

During the year a payment of £4,100 was made for commercial insurance without formal written business case approval being obtained from the Department of Education in accordance with the relevant guidance.

Except for the matter referred to above, in our opinion, in all the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

What we have audited

The financial statements, which are prepared by The Northern Ireland Council for Integrated Education, comprise:

- the Statement of financial position as at 31 March 2014;
- 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;
- the Reconciliation of net outgoing reserves to net cash inflow/(outflow) from continuing operating activities; 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 their preparation 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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, and that in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them. 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.

In addition, we read all the financial and non-financial information in the Directors' 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.

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

Opinion on other matters 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 and the part of the Remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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 take advantage of the small companies exemption from preparing a Strategic Report. 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 13, 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 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 charity's members and directors 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.



Martin Pitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
7 November 2014

**Statement of financial activities (including income and expenditure account)
for the year ended 31 March 2014**

	Note	2014 £	(Restated) 2013 £
Incoming resources/income			
Incoming resources from generated funds			
- Voluntary income	3	848,916	889,979
Incoming resources from charitable activities			
- Contribution towards property related costs		14,238	19,457
Total incoming resources		863,154	909,436
Resources expended/expenditure			
Charitable activities			
- Development of integrated education and schools in Northern Ireland		(833,171)	(910,513)
- Property related costs	6	(228,258)	(214,928)
Governance costs			
		(14,766)	(11,911)
Other resources expended			
- Other finance costs	7	(20,000)	(20,000)
Total resources expended		(1,096,195)	(1,157,352)
Net outgoing resources before recognised gains and losses	4	(233,041)	(247,916)
Loss on vesting from investments in school buildings	9	(30,893)	-
Remeasurement on defined benefit pension		104,000	(43,000)
Net movement in funds		(159,934)	(290,916)
Funds at 1 April		(9,748,906)	(9,457,990)
Funds at 31 March	17	(9,908,840)	(9,748,906)

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.

Statement of financial position as at 31 March 2014

	Note	2014 £	2013 £
Non-current assets			
Property, plant and equipment	8	2,172	4,243
Investment in school buildings	9	-	673,075
		2,172	677,318
Current assets			
Trade and other receivables	11	23,471	55,284
Cash and cash equivalents	12	77,996	59,986
		101,467	115,270
Total assets		103,639	792,588
Current liabilities			
Trade and other payables	13	(9,618,479)	(10,069,494)
Non-current assets less net current liabilities		(9,514,840)	(9,276,906)
Non-current liabilities			
Pension liabilities	15	(394,000)	(472,000)
Total assets less liabilities		(9,908,840)	(9,748,906)
Reserves			
Restricted funds	17	(9,908,840)	(9,748,906)

The financial statements on pages 34 to 48 were approved by the board of directors on 7 November 2014 and were signed on its behalf by:

Ian McMorris
Chairperson

Noreen Campbell
Chief Executive Officer

Statement of cash flows for the year ended 31 March 2014

	Note	2014 £	2013 £
Net cash inflow/ (outflow) from operating activities		38,556	(51,853)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,357)	-
Proceeds from disposal of investment in school buildings		642,182	660,000
Net cash inflows from investing activities		639,825	660,000
Net decrease in cash and cash equivalents in the year		678,381	608,147
Cash and cash equivalents at the beginning of the year		(9,223,130)	(9,831,277)
Cash and cash equivalents at the end of the year	18	(8,544,749)	(9,223,130)

Reconciliation of net outgoing reserves to net cash inflow/ (outflow) from continuing operating activities

	2014 £	(Restated) 2013 £
Net outgoing resources before recognised gains and losses	(233,041)	(247,916)
Depreciation on tangible fixed assets	4,428	23,993
Movement in trade and other receivables	31,813	(23,709)
Movement in trade and other payables	209,356	175,779
Other finance costs	20,000	20,000
Difference between pension charge and cash contributions	6,000	-
Net cash inflow / (outflow) from continuing operating activities	38,556	(51,853)

Notes to the financial statements for the year ended 31 March 2014

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 2013-14 *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 convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventory. The restatement of the March 2013 results relates to the accounting for the pension funding. The impact on the results for the year ended 31 March 2013 has been to increase the net outgoing resources before recognised gains by £10,000 and increase other finance costs by £10,000. There was no impact on the pension liability on the balance sheet.

Going concern

In the year ended 31 March 2014, the Council had net outgoing resources of £159,934 (2013: £290,916). This includes a net pension liability of £394,000 (2013: £472,000). For further details of the pension liability please refer to note 15 of the financial statements. Overall, at the year end, the Council had liabilities in excess of assets of £9,908,840 (2013: £9,748,906).

The financial statements 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 £9,555,053 being waived.

Banking facilities have been agreed with the Council which the directors believe are sufficient 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 at 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.

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 ¹ / ₃ %
Furniture and fittings	:	20%

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies (continued)

Investment in school buildings

The cost of purchases of sites for and the construction of school buildings are capitalised to the extent that they are expected to be recouped on receipt of grant aid from the Department of Education. Expenses necessitated by the transfer of buildings are charged to the statement of financial activities as they are incurred. The final school was vested in the year ended 31 March 2014 and the Drumlins club loan was repaid.

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.

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.

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies (continued)

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.

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.

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies (continued)

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.

3 Voluntary income

	2014	2013
	£	£
Department of Education Northern Ireland	646,000	626,500
International Fund for Ireland	165,670	196,801
Open Society	-	985
Department of Foreign Affairs	13,101	32,322
Other	24,145	33,371
	848,916	889,979

4 Net outgoing resources before recognised gains and losses

	2014	2013
	£	£
This is stated after charging:		
Staff costs (Note 5)	453,319	430,382
Payment of property related costs	16,928	6,761
Depreciation on tangible fixed assets – owned assets	4,428	23,993
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

Notes to the financial statements for the year ended 31 March 2014

5 Staff numbers and related costs

	2014	2013
	£	£
Wages and salaries	353,619	343,142
Social security costs	26,822	29,874
Other pension costs	72,878	57,366
	453,319	430,382

During the year the charity incurred costs of £32,300 (2013: £90,452) 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 (2013: £nil). One employee falls in emoluments band over £60,000 (2013: one over £60,000) and details are below.

	2014	2013
	£	£
Chief Executives' remuneration	56,027	56,027
Company pension contributions to NILGOSC pension scheme	10,958	10,409
	66,985	66,436

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.

6 Property related costs

	2014	2013
	£	£
On bank loans and overdrafts	228,258	214,928

Notes to the financial statements for the year ended 31 March 2014

7 Other finance costs

	2014 £	2013 (Restated) £
Expected return	52,000	47,000
Interest cost	(72,000)	(67,000)
	(20,000)	(20,000)

8 Property, plant and equipment

	Information technology £	Furniture and fittings £	Total £
Cost			
At 1 April 2013	62,153	24,166	86,319
Additions	841	1,516	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
Cost			
At 1 April 2012	62,153	24,166	86,319
At 31 March 2013	62,153	24,166	86,319
Accumulated depreciation			
At 1 April 2012	42,993	15,090	58,083
Charge for the year	19,160	4,833	23,993
At 31 March 2013	62,153	19,923	82,076
Net book amount			
At 31 March 2013	-	4,243	4,243
At 31 March 2012	19,160	9,076	28,236

Notes to the financial statements for the year ended 31 March 2014

9 Investment in school buildings

	Balance at 31 March 2013 £	Proceeds on vesting £	Shortfall on vesting £	Balance at 31 March 2014 £
Ballynahinch and Prior Year	673,075	(642,182)	(30,893)	-
	Balance at 31 March 2012 £	Proceeds on vesting £	Shortfall on vesting £	Balance at 31 March 2013 £
Drumlins(Ballynahinch)	673,075	-	-	673,075
Armagh	660,000	(660,000)	-	-
	1,333,075	(660,000)	-	673,075

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

	2014 £	2013 £
Trade receivables	11,568	51,598
Prepayments and accrued income	11,903	3,686
	23,471	55,284

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

For the purposes of IFRS 7 "Financial instruments: Disclosures" 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 2014

12 Cash and cash equivalents

	2014	2013
	£	£
Balance at 1 April	59,986	101,630
Net change in cash and cash equivalents	18,010	(41,644)
Balance at 31 March	77,996	59,986

The following balances at 31 March were held at:

Commercial banks and cash in hand	77,996	59,986
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13 Trade and other payables

	2014	2013
	£	£
Bank overdraft (Note 14)	-	20,133
Bank loans (Note 14)	8,622,745	9,262,983
Trade payables	-	4,507
Accruals and deferred income	995,734	781,871
	9,618,479	10,069,494

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

	2014	2013
	£	£
Bank overdraft	-	20,133
Bank loans	8,622,745	9,262,983
	8,622,745	9,283,116

Maturity of financial liabilities:

In one year or less, or on demand	8,622,745	9,283,116
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The existing bank loans are secured through a club bank arrangement with the banks.

Notes to the financial statements for the year ended 31 March 2014

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.

	2014	2013
Rate of increase in salaries	4.8%	4.8%
Rate of increase in pensions in payment	2.3%	2.4%
Discount rate	4.4%	4.3%
Inflation assumption	3.3%	3.3%

The mortality assumptions used were as follows:

	2014 Years	2013 Years
Average expected future life at age 65 for:		
Male currently aged 65	21.9	21.9
Female currently aged 65	24.5	24.5
Male currently aged 45	23.6	23.6
Female currently aged 45	26.1	26.1

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

	Value at 31 March 2014 £	Value at 31 March 2013 £
Equities	912,000	995,000
Property	203,000	70,000
Gilts	169,000	94,000
Cash	68,000	11,000
Total market value of assets	1,352,000	1,170,000
Present value of funded scheme liabilities	(1,746,000)	(1,642,000)
Net pension liability	(394,000)	(472,000)

Notes to the financial statements for the year ended 31 March 2014

15 Pension commitments (continued)

Reconciliation of present value of scheme liabilities

	2014	2013
	£	£
At 1 April	1,642,000	1,352,000
Service cost	73,000	56,000
Member contributions	22,000	20,000
Interest cost	72,000	67,000
Remesurement on scheme liabilities	(57,000)	152,000
Benefits paid	(6,000)	(5,000)
At 31 March	1,746,000	1,642,000

Reconciliation of fair value of scheme assets

	2014	(Restated) 2013
	£	£
At 1 April 2013	1,170,000	943,000
Expected return	52,000	47,000
Remeasurement on scheme assets	47,000	108,000
Employer contributions	67,000	57,000
Member contributions	22,000	20,000
Benefits paid	(6,000)	(5,000)
At 31 March	1,352,000	1,170,000

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:

	2014	(Restated) 2013
	£	£
Service cost	73,000	56,000
Expected return	(52,000)	(47,000)
Interest cost	72,000	67,000
Remeasurement on defined benefit pension scheme	104,000	(43,000)
	197,000	33,000

Notes to the financial statements for the year ended 31 March 2014

15 Pension commitments (continued)

Amounts for current and previous four years:

	2014 £	2013 £	2012 £	2011 £	2010 £
Scheme liabilities	(1,746,000)	(1,642,000)	(1,352,000)	(1,161,000)	(1,677,000)
Scheme assets	1,352,000	1,170,000	943,000	884,000	1,061,000
Deficit in scheme	(394,000)	(472,000)	(409,000)	(277,000)	(616,000)
Experience adjustments on scheme assets					
Amount (£)	47,000	108,000	(44,000)	26,000	260,000
Experience adjustments on scheme liabilities					
Amount (£)	-	-	1,000	200,000	-

16 Members liability

The liability of each member is limited to £10.

17 Reserves - restricted funds

	2014 £	2013 £
At 1 April	(9,748,906)	(9,457,990)
Net outgoing resources before recognised losses	(233,041)	(247,916)
Actuarial remeasurement on defined benefit pension scheme	104,000	(43,000)
Loss on vesting from investment in school building	(30,893)	-
At 31 March	(9,908,840)	(9,748,906)

The net liabilities at the year-end include a deficit of £394,000 (2013: £472,000) in respect of pension scheme liabilities of the NILGOSC pension fund.

18 Analysis of net funds

	1 April 2013 £	Cash flow £	31 March 2014 £
Cash at bank and in hand	59,986	18,010	77,996
Bank overdraft	(20,133)	20,133	-
Bank loans	(9,262,983)	640,238	(8,622,745)
	(9,283,116)	660,371	(8,622,745)
Net funds	(9,223,130)	678,381	(8,544,749)

Notes to the financial statements for the year ended 31 March 2014

19 Financial commitments

At 31 March 2014 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Property 2014 £	Property 2013 £
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 2014 the company had no capital commitments (2013: none).

22 Losses and special payments

At 31 March 2014 the company had no losses and special payments (2013: 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 (2013: none). As per the register of interests maintained by NICIE there were no conflicts of interest during the year (2013: none).

24 Ultimate controlling party

There is no ultimate controlling party.

25 Events after the reporting date

Post year end the Club Bank debt was restructured which resulted in the amounts outstanding of £9,555,053 being waived.

The directors of the Council are delighted with this outcome and consider it to be in the best long term interest of all stakeholders.

The Annual report and financial statements were authorised by the Accounting Officer to be issued on 7 November 2014.

