

INTEGRATED EDUCATION FUND – REFERENCE AND ADMINISTRATIVE DETAILS

DIRECTORS, APRIL 2019 – MARCH 2020

Ken Cathcart *Chair*
Grainne Clarke
David Cooke *Deputy Chair*
Marie Cowan (retired 19.06.19)
Roderick Downer *Treasurer*
Richard Lemon OBE *Deputy Chair*
Christopher Lynas
Barbara McAtamney
Michael McKernan
Ellen McVea
Jane Morrice (from 18.03.20)
Kathleen O'Hare
Peter Osborne
Mary Roulston MBE
Dorothee Wagner (retired 21.08.19)

SENIOR MANAGEMENT STAFF

Tina Merron (Chief Executive)
Jill Caskey (Parental Engagement Manager)
Paul Caskey (Head of Campaign)
Sam Fitzsimmons (Head of Communications)
Janine Turner (Head of Operations)

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COMPANIES HOUSE NI636289
HMRC NUMBER NI00545

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Lloyds Bank
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Danske Bank
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Belfast BT1 6JS

NI Central Investment Fund for Charities
Level 5, Causeway Exchange
1-7 Bedford Street
Belfast BT2 7EG

Davy Private Clients UK
Donegall House
7 Donegall Square North
Belfast BT1 5GB

Progressive Building Society
Progressive House
33-37 Wellington Place
Belfast BT1 6HH

First Trust Bank
Business and Corporate Banking
PO Box 123, 92 Ann Street
Belfast BT1 3AY

Ulster Bank
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Trustees' Annual Report (Incorporating the Directors' Report)

Period ended 31 March 2020

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1. OPERATING CONTEXT FOR THE YEAR

The year 2019/20 represents one of significant progress for the Integrated Education Fund (IEF) in Northern Ireland as it moved forward with its *Strategic Vision: Integration Works for Everybody 2018-2021*. However, the spread of the coronavirus COVID-19, officially declared a pandemic on 11 March 2020 by the World Health Organisation, was to have a devastating effect around the globe, with country after country turning to 'lockdown' in response. Although the UK's lockdown did not begin until late March, the pandemic and the international response to it had already started to have a significant impact on our work by the end of the financial year.

Throughout 2019, the IEF had been operating in a climate of continued political uncertainty with the ongoing absence of a locally elected Assembly and Education Minister. However, the return of devolution in January 2020 brought with it renewed grounds for optimism as the new political agreement *New Decade, New Approach* announced plans for an external review of our education system and indicated its support for "educating children and young people of different backgrounds together in the classroom". The IEF has been calling for a fundamental external review of the education system for many years and in doing so has brought key issues surrounding systemic reform to the attention of political parties and policy makers, supported by research evidence.

Throughout the year the IEF continued with the Parental Engagement Campaign (PEC) and the associated *Integrate My School (IMS)* initiative. It gathered real momentum as eight schools across Northern Ireland held a ballot of their parents on becoming integrated, with the percentage saying 'yes' ranging from 71% to 100%. This included a mix of Catholic schools and mainly-Protestant 'controlled' schools plus (for the first time) two nursery schools. Until a few years ago not a single parental ballot on integrated education had ever taken place in a Catholic school; the first took place in April 2014 and now, this year, a further three have taken place – all four were overwhelmingly in favour of Transformation to integrated status.

Integrated education remained the fastest-growing form of education in Northern Ireland in 2019/20. In the past five years enrolments have increased by more than two thousand pupils but there still are not enough places available. Growth has continued to be restricted, not because of lack of demand, but because integrated schools are not planned for by government. Further impediments for growth in integrated nursery school places emerged in 2019/20 with proposals for five new integrated nursery units rejected by government.

On a more positive note, this year the capital funding agreed in 2016 by HM Treasury, through the Fresh Start Agreement, started to deliver for schools on the ground. Following the move of Drumlins Integrated Primary School to their new building in Ballynahinch, a new school for Braidside Integrated Primary School in Ballymena is due for completion shortly. Omagh and Corran Integrated Primaries were able to celebrate new facilities this year and a further 21 schools stand to benefit from this scheme to the sum of almost £300million.

Our model of community consultation (developed with Ulster University) and local opinion polls have demonstrated how education planning can meaningfully include the views of parents and local communities. The time has come for the Department of Education and other statutory education planners to introduce such models going forward.

There are many schools throughout Northern Ireland that want to be viewed as being integrated as their school enrolments become more diverse. We must encourage them to take the next step and consider formal Transformation, as being an integrated school is about much more than simply a mixed enrolment.

The IEF was humbled to be nominated for the 2019 Nobel Peace Prize alongside our colleagues in the Northern Ireland Council for Integrated Education (NICIE). IEF does not seek such accolades but

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to be nominated by eminent academics and politicians locally and internationally is something to feel proud about. However, the real heroes of this movement are the parents, the pupils and the schools, together with you, the friends and donors of the IEF.

By the end of the 2019/20 year, the spread of COVID-19 was having a significant impact on everyone and the IEF was no exception. For safety reasons, and in line with social distancing guidelines, planned fundraising, parental engagement and advocacy events had to be cancelled and future events and activities had to be postponed or rescheduled. Organising further enlistment or fundraising events has been put on hold for the time being, which will impact on new prospect development and reduce capacity to attract new donors in the short to medium term. The overall impact on the trusts and foundations which support the IEF is more complex and uncertain with one of the key issues being the impact which the pandemic may have on the delivery and timeframes of projects being funded. Schools are unable to take forward the work they have received funding for; existing IEF grant programmes and the launch of a new round of the Trust programme have been postponed. In terms of individual donors and supporters, it will be even more important for the IEF to stay in touch through e-zines and emails, and keep everyone informed about our situation as it unfolds, and our plans for the future.

Much of the IEF's work would normally involve interaction with schools, parents, communities, politicians, policy makers, the media and of course supporters and donors, and their focus of attention is on coping with, and getting through the pandemic. Unlike many other charities and community groups, the Fund is not a service provider. During these unprecedented and challenging times there are limitations on what the IEF, as a campaigning, grant making and fundraising body can achieve. And there is no doubt that the IEF's finances are, and will be severely impacted. Therefore, in order to safeguard IEF jobs and the future work of organisation itself, the IEF applied to the government's Coronavirus Job Retention Scheme which was designed to support employers whose operations have been severely affected by COVID-19. Directors agreed that most staff would be furloughed, and that this would be for as short a time as possible. During April 2020 several staff worked from home, finishing off projects or getting them to a position where they could be 'paused', and preparing for furlough and post-furlough. Most IEF staff were then furloughed from 01 May 2020 for three to four months; two staff were not furloughed so that the Fund could continue to operate, albeit in a limited capacity, during this time.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1 MANDATE

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

2.2 GOVERNING DOCUMENT

The IEF was established in 1992 as a charitable trust to provide a financial foundation for the development and growth of integrated education in Northern Ireland. Until April 2016 it was governed by its Deed of Trust, dated 17 February 1992. In early 2016 the IEF completed the process of incorporation in order to give the Fund a stronger, more secure legal identity, and has been operating as a charitable company limited by guarantee since 01 April 2016. The IEF is registered with Companies House (NI636289) and the Charity Commission for Northern Ireland (NIC104886) and is recognised as a charity for tax purposes under HMRC reference NI00545.

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2.3 BOARD OF DIRECTORS

The Fund is managed by a Board of Directors – at 31 March 2020 there were 13 Directors and the maximum number is 15. Each Director may serve for three years after which period they may put themselves forward for re-appointment for a second or further term, however no member may serve longer than six years or, if so resolved by all the then Directors in accordance with the Memorandum and Articles of Association, nine years continuously.

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

In response to the social distancing and other restrictions resulting from COVID-19, the March 2020 meeting of the Board was cancelled – key decisions were discussed and agreed by Directors by email and ratified at the April meeting of the Board which took place online. Video conferencing will continue to be used for meetings of the Board as appropriate.

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

In 2019/20 Marie Cowan and Dorothee Wagner retired from the Board, and one new member joined – Jane Morrice, who had previously been an IEF Board member from September 1997 to May 2002.

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

2.4 DIRECTOR INDUCTION AND TRAINING

The induction process for any newly-appointed Director comprises an initial meeting with the Chair and the Chief Executive, followed by a series of briefing meetings with key members of staff. The strategic vision, the Board and decision making processes, policies and procedures, and the financial structure and performance of the Fund are discussed in detail. Any training needs are also discussed.

2.5 ORGANISATION AND COMMITTEES

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

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

- The Grants Committee has been delegated powers to consider in detail applications to the IEF for funding and to make recommendations to the full IEF Board. The Committee also develops new grant programmes, as funding becomes available, to ensure that the most critical needs of schools and groups are addressed, and that the programmes have maximum impact and deliver maximum value for money.

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- The Advocacy Working Group has been set up by the Board to drive forward the IEF's work to bring about structural and policy change in education. The group oversees advocacy, communications, public relations and public affairs.
- The Staffing Committee has been delegated responsibility for ensuring compliance with the requirements of employment law and IEF policies and procedures with regard to staffing, and to make recommendations to the Board as appropriate. The day-to-day management of Human Resources is delegated to the Head of Operations.
- The Risk Management Committee, on behalf of the Board, identifies and assesses risks to the IEF, and regularly reviews the controls which are in place, to ensure they continue to meet the IEF's needs.
- The Parental Engagement Working Group has been tasked by the Board with overseeing the IEF's work to empower parents to grow more integrated education through the process of Transformation and work alongside the Northern Ireland Council for Integrated Education (NICIE) to support any school in Northern Ireland embarking on the journey to integrated education.

Each of these five committees has their own Terms of Reference, reviewed every two years by the Board, which details their remit, schedule of meetings and membership.

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

2.6 PAY POLICY FOR STAFF

The IEF Board considers Directors and the Senior Management Team to be the key management personnel of the charity in charge of directing and controlling, running and operating the IEF on a day to day basis. All Directors give of their time freely and no Director received remuneration in the year. Details of Director expenses are disclosed in Note 18 to the accounts.

In view of the nature of the charity and its economy of operations, the Directors benchmark staff salaries both against National Joint Council (NJC) payscales and other charities of a similar size and activity, to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. NJC payscales are local government payscales extensively used in the voluntary and community sector. They result from negotiations between trade unions and Local Government Employers and any agreed increase in the rates of pay are reflected in IEF salaries. Staff also receive annual increments, subject to a satisfactory annual appraisal, until they reach the top of their particular pay band. No new staff members joined the IEF during the year, and by 31 March 2020 no existing staff members had left, so the total number of staff remained at 14 in 2019/20.

2.7 RISK MANAGEMENT

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

Risks are identified and assessed, and controls are established throughout the year. In respect of COVID-19, regular reviews of the situation and its risks to the work of the Fund, as well as its volunteers and staff, are carried out by the Board of Directors.

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A formal review of the charity's risk management processes, including the risk register, is undertaken annually.

The key controls used by the IEF include:

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

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

As part of ongoing risk management, and as important aspects of best practice, the IEF monitors and evaluates internal policies, procedures and controls, as well as key areas of the Fund's work.

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

3. OBJECTIVES AND ACTIVITIES

3.1 PURPOSES OF THE CHARITY

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

The Directors confirm that they have referred to the guidance on public benefit provided by the Charity Commission for Northern Ireland (CCNI) when implementing the Fund's strategic plan, reviewing its objectives and planning future activities.

3.2 STRATEGIC VISION

The IEF shares the vision, held by the overwhelming majority of people in Northern Ireland, of a united community and a shared future; a Northern Ireland where, increasingly, children from different traditions learn and play together at school, helping to build a society where there is respect and celebration, not fear, of religious and cultural diversity.

Many believe that more integration and mixing between communities are essential to building a better and more reconciled society.

67% of people want more integrated education - where children from Protestant, Catholic, other faith backgrounds and none, are educated together in the same schools and where the symbols, ethos and traditions of the entire community are valued and respected (Lucid Talk 2018).

The IEF sees the development of more integrated education in a reformed education system as an essential ingredient of this future – a system which also ensures that young people, including newcomer pupils, LGBTQ+ pupils, and pupils with additional needs, feel confident and welcome in the school environment. The IEF wants an education system which fully prepares its young people to contribute positively to a modern democracy and be successful citizens in an increasingly complex global society.

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The aspiration of parents for more integration must be acted upon. To achieve this needs meaningful reform of the way education is planned, managed and delivered. There have been too many well intentioned projects, tweaks and minor adjustments which do not sufficiently impact on the core nature of Northern Ireland's archaic, segregated system of schools.

Integration works for everybody. The education system needs to change.

The Strategic Vision addresses the fundamental question, How can we make change happen? In the summer of 2018, the IEF launched its current development plan, *Strategic Vision 2018-2021 – Integration Works for Everybody*. The IEF's specific objectives for the three years are to:

- Empower parents by
 - Increasing their awareness of how they can make change happen through community conversations and parental ballots
 - Increasing the number of parents registering their support for the Integrate My School website to actively demonstrate the numbers of parents throughout Northern Ireland who want an integrated education for their children
 - Increasing the level of engagement, awareness and support for integrated education solutions amongst local community groups
- Empower schools by
 - Encouraging all schools to consider the new Department of Education guidance *Integration Works* and support them on their Transformation journey to integrated status
 - Supporting growth in existing integrated schools to enable parents to access an integrated education for their children
 - Supporting work in integrated schools that celebrates diversity and strengthens ethos
- Effect policy change by engaging with policy makers, political leaders and government to present an overwhelmingly persuasive case for building a quality education system based on greater integration. This will lead to:
 - A government strategy for the growth of integrated schools and school places with set targets supported by targeted funding, and a fresh approach to area planning and community consultation
 - Structural change to the education system including one single authority for the administration and planning of education, a single model of governance for all schools, and a single teacher training system which welcomes students of all religions and none
 - Other specific measures such as removing the exception for teachers from Fair Employment legislation; and including benchmarks for equality and inclusivity in the inspection process for schools
- Raise £3.6million to deliver on these objectives

The Board's 2019/20 strategic planning day took place on 16 October 2019 at which the Fund's objectives for 2018 to 2021 were reviewed and confirmed. Specific actions were identified for the medium to long term, which would move the Fund closer to achieving both its purposes and its objectives, and the actions and resources required to achieve these were also reviewed.

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4. ACHIEVEMENTS AND PERFORMANCE

4.1 EMPOWERING PARENTS - PARENTAL ENGAGEMENT

Transformation is both a journey undertaken by non-integrated schools which are becoming integrated, and also a legal process. The Parental Engagement Campaign, particularly the Integrate My School (IMS) website, continues to enable parents across Northern Ireland to support Transformation specifically for their school. The IMS website has over 1,000 parental registrations spread over 300 schools in Northern Ireland, and is now used both by parents and schools to demonstrate parental support for Transformation. Schools have chosen to highlight the IMS website to parents of their pupils, and increased levels of registrations have given them the confidence to move forward in their Transformation journey. Despite the restrictions necessitated by COVID-19, the team is continuing to grow the number of followers on IMS Facebook with family activity posts (approximately 50 per month) and online content which has been created in advance for the period when staff are on furlough (ie from 01 May 2020).

Since the start of the campaign in 2017/18, eight schools have been supported to hold parental ballots about Transformation to integrated status. The results have ranged from 71% to 100% of parents saying "yes" to integration for 1,300 pupils across Nursery, Primary and Post Primary Schools. All eight schools will submit a Development Proposal for Transformation to the Education Authority, and the decision for approval will be taken by the Minister of Education. It is important to note however that three of the schools are currently not viewed as sustainable, as indicated in the DE Sustainable Schools Policy. The schools that have held parental ballots are as follows:

- Carrickfergus Central Primary School (2018/19)
- St. Mary's HS, Brollagh (2018/19)
- Ballyhackett Primary School (2019/20)
- Bangor Central Nursery School (2019/20)
- Harding Memorial Primary School (2019/20)
- Seaview Primary School (2019/20)
- Brefne Nursery School (2019/20)
- Glengormley High School (2019/20)

There have been a variety of family and parent events organised over the last year which have ranged from small scale community events organised through particular schools, to two sizable IEF-organised events. One of these larger events was held at a Belfast Giants ice hockey game, and the other was a Family Fun and Learning Day at the Titanic Museum. All of these events have provided useful insights into parental engagement, and have also demonstrated that parents who are registered on the IMS website may still not be aware that parents of 20% of pupils in a school are supported in legislation to request a parental ballot. However, going forward, a number of public events where the PEC team would, for example, have had information stands have been cancelled because of COVID-19 including Garden Show Ireland at Antrim, the Tulip Festival and Dalriada Festival at Glenarm, and the Sunflowerfest at Hillsborough. PEC visits to individual schools, and meetings with school Principals and Governors have also had to be postponed.

Strategic partnerships are now more developed, for example with Parentkind and Parenting NI, leading to the hosting of joint events with the IEF and invitations to the IEF to attend parent networks.

4.1.1 Community Outreach

Over the last two years a micro-poll process has been developed which surveys parental support for integrated education within particular areas. The initial stage of the process can involve engagement with local communities and parents to highlight the forthcoming micro-poll. Once the poll results have been collated, these are then circulated to the Department of Education (DE), the Education Authority

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(EA) and local schools. The response rate from schools which have been contacted regarding the poll has varied; in some areas there is little response from schools, whereas in other areas there were more solid outcomes. For example, a micro-poll in one area led to three follow up Board of Governor meetings and in another area, poll results encouraged a school to progress to explore Transformation.

Community outreach also aims to develop and maintain strategic partnerships, for example with the NI Housing Executive (NIHE) and the Rural Community Network (RCN). Joint working with these strategic partners includes continued IEF representation on the Ministerial Sub Group Panel for Shared Housing, as well as on local regional networks, alongside community partners.

A number of briefing papers have been produced through the joint IEF/Ulster University research initiative *Transforming Education*. One of the recent papers, "Isolated Together: Pairs of Primary Schools Duplicating Provision", was supported by the campaign, firstly by circulating the results to schools featured in the research and secondly through an engagement event which invited schools, community groups and statutory authorities to discuss the research and its potential impacts. It is anticipated that the IEF will continue to build on the Isolated Together research through engagement with other organisations and local community stakeholders.

4.1.2 Wider Promotion

The IEF continued to organise information stands across Northern Ireland providing outreach staff with opportunities to talk to and interact with a wide range of people. This engagement does not necessarily result in high levels of registrations on the IMS website, but allows for interaction with a wider audience that might not otherwise be reached, including parents, other individuals connected to schools, and local politicians.

Building on the success of the PEC's previous radio advertising, two radio advertising campaigns were held this year. Firstly, an "Integration Take Over Day" with QRadio was organised for October 2019, which included interviews with parents, a principal and a past pupil. The second campaign, this time with Cool FM/Downtown Radio, took place in February 2020 and included two weeks of on-air advertising, as well as the creation of a video with popular family presenter Pete Snodden visiting Carrickfergus Central Primary School to find out more about Transformation.

4.1.3 Empowering Schools - Integration Works

The IEF continues to support schools that are exploring Transformation. This support has included direct engagement with principals, governors and staff, and also has a strong focus on engaging with parents and the wider community, to ensure the process involves all key stakeholders.

The DE guidance *Integration Works*, which was produced in December 2017, continues to underpin the IEF's school engagement strategy in collaboration with NICIE. The two organisations meet monthly to develop their joint strategy for engaging with schools. The strategy includes a series of events and programmes to encourage school engagement and progress towards Transformation including an annual *Integration Works* event which took place in 2020 at Lagan College on 11 March with approximately 15 schools attending (2 Nursery Schools and 13 Primary Schools).

The *Transformation Support Programme for Schools*, which is a specific and tailored programme for those who attended *Integration Works* events or expressed interest in Transformation, continues to support schools to progress with Transformation. The programme offers further support by hosting a number of smaller events within integrated schools, to develop practice and understanding of integrated education. The programme gives schools the confidence to engage with parents and governors to progress with Transformation and also includes an event specifically for school governors. Unfortunately the event for school governors scheduled for 25 March 2020 had to be postponed because of COVID-19 restrictions.

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4.2 EMPOWERING SCHOOLS - EFFECTIVE FUNDING PROGRAMMES

Grant making is aligned to the IEF's *Strategic Vision 2018-2021* and aims to empower schools to support the growth of integrated school places from an initial 10% by 2021 to 30% by 2031. The IEF promotes and manages a number of grant streams, each with programmes which have their own criteria against which applications are assessed and grants made. There are four main grant streams:

- Integration Works: Transforming Schools Support Programme (Exploring Transformation; Building the Case for Transformation, pre and post parental ballot; and Newly Transformed Schools, post DE approval)
- Going for Growth: Existing Integrated Schools Support Programme (Marketing; Impact of Growth)
- Strengthening Integrated Education (Trust Programmes, Good Practice, the Carson Awards)
- Restricted and Other Grants (Working with donors to administer restricted donations)

In 2019/20 expenditure on charitable activities was £1.111million (this figure was £1.137million in the previous year).

4.2.1 Integration Works: Transforming Schools Support Programme

Schools considering transforming

The IEF has been working with a number of schools which are exploring the Transformation process. Each school will take whatever length of time is appropriate for their particular circumstances to consider what integration would mean for them. Once parents or governors of a school formally initiate Transformation, Electoral Reform Services conducts a secret ballot of parents. If a simple majority of those who vote in the ballot is in favour of Transformation, and at least 50% of those eligible to vote have done so, the Board of Governors must submit a Development Proposal supported by a Case for Change to the EA. The school must provide pertinent background and robust and verifiable information relating to the DP to support their Case for Change and to enable those affected by the proposal to understand the educational and other merits of the change proposed.

Grants from the IEF this year have enabled the teachers, governors, parents and the wider school community of four more schools to explore Transformation as part of deciding how they want their school to develop.

Four other schools currently have a Development Proposal published by DE for Transformation to controlled integrated status and are awaiting a decision. These schools are St. Mary's HS, Ballyhackett PS, Seaview PS, and Carrickfergus Central PS. IEF grants, for example to Seaview PS, will fund sub-cover costs to allow staff to visit integrated schools, and promotional material to market the school.

Harding Memorial PS has submitted their Development Proposal however this paperwork is at the early stages of the process and has not yet been published by DE. The school is in receipt of a grant to support their marketing activities to promote integrated education in the area.

Bangor Central Nursery School and Brefne Nursery School are the first two nursery schools to hold a parental ballot for Transformation. Both schools are due to submit their Case for Change in the near future and have been awarded grants to support the necessary changes needed such as re-branding, sub-cover costs to visit integrated schools and materials to support an integrated ethos.

One other school is in receipt of an Exploring Transformation grant but has not yet held a parental ballot.

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Transformed integrated schools

Funding for schools which have transformed enables the schools to publicise their new status and encourage enrolments from the wider community. Mallusk and Loughries Integrated Primary Schools transformed in September 2015 and both are now completing the final phase of a programme to strengthen their schools.

4.2.2 Going for Growth: Existing Integrated Schools Support Programme

The Northern Ireland Good Relations Indicators Annual Update (GRI), published by the NI Executive Office in November 2019, state that "Preference for integrated education is an important indicator of attitudes towards other communities, as well as an indicator of preference for a shared community" (GRI p19). However, the number of integrated primary and post primary places over a five year period only increased from 21,745 across 62 schools in 2013/14 to 23,624 across 65 schools in 2018/19, despite the number of Development Proposals being submitted by schools. The GRI also show that, just in terms of integrated post primary schools, the percentage of first preference applications that do not result in admissions has grown from 10% in 2013/14 to 21% in 2018/19, again indicating over subscription resulting from insufficient places to meet demand. (The report is available on the Executive Office Statistics and Research Branch website at: [www.executiveoffice-ni.gov.uk/topics/statistics-and-research/good-relations.](http://www.executiveoffice-ni.gov.uk/topics/statistics-and-research/good-relations))

DE, using data taken from their school census exercise which ran in October 2019, has advised that for academic year 2019/20 "there are nearly 24,300 pupils enrolled in integrated schools – just over 11,000 in primary schools and nearly 13,000 in post-primary schools. The number enrolled has increased by over 600 pupils compared to last year, and over 2,300 pupils compared to five years ago" (DE Statistical Bulletin, Annual Enrolments at Schools and in Funded Pre-School Education in Northern Ireland, published 27 February 2020 and revised 03 March 2020).

In 2019/20 DE approved three Development Proposals (DPs) for growth. Mill Strand IPSN has upgraded from a single nursery unit to a double nursery unit, Glenraig IPS will open a nursery unit, and Sperrin IC has approval to increase their enrolment from 500 to 600.

Six Development Proposals were not approved during the year. One DP related to providing academic selection in Strangford IC, and the other five DPs related to nursery units. Drumlins, Rowandale, Spires and Bridge Integrated Primary Schools had requested the establishment of a nursery unit, and Enniskillen IPS had requested approval for a second nursery unit.

As of 31 March 2020 there were four Development Proposals relating to integrated schools awaiting a decision by DE. These include the establishment of a statutory nursery unit in Round Tower IPS and an increase to the admissions and enrolment numbers in Strangford IC.

A proposal for a new College in the Mid Down area which would incorporate Blackwater IC is also expected to be submitted in the next academic year.

Whilst growth in integrated schools and school places is what the IEF and its donors and supporters continually work towards, achieving this growth also brings with it challenges. Schools which are growing, for example through double enrolment, must provide the additional accommodation and teaching staff ahead of any increases to the funding they receive from DE. The IEF is pleased to be able to help a number of integrated primary schools with these issues, including Mallusk, Millennium, Rowandale, and Saints and Scholars.

A marketing grant was awarded to support several initiatives within Crumlin IC which will support their anticipated growth over the next few years.

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The funding available for grants for the academic year 2020/21 was considered by the IEF Grants Committee at their meetings on 30 January and 05 March 2020 and the grant allocations recommended by the Committee were agreed by the Board of Directors.

4.2.3 Strengthening Integrated Education

An integrated ethos does not happen by simply having a mix of pupils. Schools need to continually consider ways to deliver integration in practice. They need to not only reflect on but also develop their practice to ensure all pupils, staff and governors feel welcome and their identity is celebrated, irrespective of their cultural or religious background. The IEF offers a number of funding streams to help strengthen ethos by supporting work in integrated schools that celebrates diversity.

The Trust Programme

The Trust Programme supports integrated schools wishing to further develop and embed the ethos and practice of integration within their own school. In some cases, integrated schools located close to each other have worked together, with their parents and governors, to renew their integration.

The fifth round of the programme, for projects during the 2019/20 academic year, has been generously supported by the Pears Foundation (£40,000) and Ulster Garden Villages (£10,000), along with a donation of £7,760 from Rory Cameron (through Ireland Fund America). This has enabled the IEF to award grants totalling £59,807 to 20 projects. These projects involved 22 schools and were due to be completed by June 2020. Due to the current health crisis, an agreed extension until December 2020 has been provided to any school that is not in a position to complete their project in the academic year 2019/20.

Round 6 of the programme for the academic year 2020/21 was previously opened for applications from schools however due to the current health crisis, the programme has been withdrawn at this time with the intention of re-launching it when appropriate.

Good Practice Bursary Programme

The IEF, together with the Association of Principals of Integrated Schools (APTIS), set up a Good Practice bursary programme for integrated schools to work together to share good practice. Funding for this work was part of a significant donation from the Turnaround Foundation.

An initial scheme provided funding for five projects with a second tranche later released which supported a further four projects. One of the projects completed during the second round of projects was Anti-Bullying Ambassador Training which was organised by Enniskillen IPS. This training is accredited by the Diana Awards and was held at Erne IC enabling 115 students and staff from 13 schools to be involved.

The Carson Awards

The Carson Awards were founded by legendary Northern Ireland comedian, the late Frank Carson, and his son Tony, and reflect their long-standing support for integrated education in Northern Ireland as well as their commitment to celebrating the creative talents of young people. Now in their twelfth year, the Awards offer pupils at integrated schools the opportunity to develop and display their creative skills through bursaries and a prize competition by demonstrating 'what integrated education means to me'. Due to the COVID-19 pandemic the Carson Prize, which was due to take place in May 2020, had to be cancelled. In terms of the Bursaries, the situation is being monitored and all participants have been notified that they will be granted an extension when the situation is clearer. During 2019/20 there were 21 successful Bursary applications with awards totalling £18,579.

Integrated AlumNI

The Integrated Schools Alumni Association, now known as the Integrated AlumNI, is now a charity in its own right. It is made up of a network of past pupils of integrated and other schools and there are

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active groups in Northern Ireland as well as London, Edinburgh and Liverpool. The group's key event, an annual roadshow, has taken place in spring in the last four years. The roadshow is where AlumNI members go 'back to school' to run interactive workshops and activities with pupils. The roadshow focuses on inspiring confidence, raising self-esteem and career mentoring. While the roadshow did not take place in Spring 2020, it is expected to proceed next academic year. During 2019/20 members engaged with integrated schools and pupils at other school events such as the Lagan College Heritage Evening and Strangford IC's Open Evening.

The AlumNI have continued to campaign for the further provision of integrated education by engaging with all main political parties at their Belfast City Deal event in November 2019, and attending their first political party conference (Alliance Party - March 2020).

The group's website www.integratedalumni.org and its active social media platforms including Facebook, Twitter and Instagram, as well as regular online events, help to keep members engaged as well as promote Integrated AlumNI activities. Their Annual General Meeting took place online on 23 May 2020.

4.2.4 Restricted and Other Grants

As well as providing financial support to schools and projects through its various grant making programmes, the IEF also administers restricted donations received for specific purposes. For the current year, the majority of donations were allocated against grant making programmes. Please see section 4.4.4 for more information.

4.3 EFFECTING POLICY CHANGE: ENGAGING AT A POLITICAL, EDUCATIONAL AND INDIVIDUAL LEVEL

Much has changed on the political landscape in the last year. For almost three years politics on a national level had been dominated by division over Brexit. In Northern Ireland the collapse of Stormont over the Renewable Heat Incentive (RHI) scandal, dominated the political and media agenda.

The general election in December 2019 created a new political reality when the Conservative Party returned to government with an overwhelming majority. The recalibration of political authority within Westminster triggered the resumption of the political talks process in Northern Ireland, and the subsequent *New Decade, New Approach (NDNA) Agreement* created the framework for the reopening of the Stormont Assembly.

4.3.1 Political Advocacy and Engagement, Stormont

Underpinning the IEF's *Alternative Manifesto* was the core aim of establishing an independent review of the Northern Ireland education system to bring about a system based on equity, inclusion and reconciliation. A key commitment now contained in the NDNA is to implement an Executive led, external, independent review of education in Northern Ireland, with the aim of moving towards a single education system. The Agreement states that, "the Executive will support educating children and young people of different backgrounds together in the classroom".

To support the establishment of an independent review, the Fund continued to engage with senior political representatives from NI's five main parties which included attending political party conferences. The Fund's position paper on an independent review was shared with key political figures.

Ongoing one to one briefings with education spokespeople and senior policy officers of the five main parties were reflected in both Sinn Fein's and the DUP's policies on education. At the Sinn Fein Ard Fheis, a motion was passed to review Article 71 of the Fair Employment Treatment Order, a key

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campaign issue of the IEF. Whilst at the DUP conference, party leader Arlene Foster endorsed the call for an independent review of the NI education system.

On 10 March 2020, an Alliance motion calling for the implementation of the commitment in the NDNA for an independent review of education in NI as a matter of urgency received almost unanimous cross-party support in Stormont.

As with other aspects of the Fund's work, COVID-19 is also impacting on advocacy. For example the independent review of education in NI referred to above, has been postponed by Education Minister Peter Weir, as has the IEF's meeting with the Minister scheduled for 15 April to discuss the review. Also, the recommendations of the Independent Review of Integrated Education (IRIE) were to have been debated by the Education Committee on 29 April and this has also been postponed. This independent review (of the planning, growth and development of integrated education) had been launched by the Department of Education in January 2016, and was undertaken by NICIE President Colm Cavanagh and Professor Margaret Topping from The Queen's University of Belfast. The review was delivered to Education Minister Peter Weir in November 2016 and finally published on 02 March 2017, the day of the NI Assembly elections.

4.3.2 Political Advocacy and Engagement, Westminster

The advocacy team increased their level of engagement with key influencers in Westminster, securing a series of meetings with MPs from the three main national parties including Labour's Shadow Ministerial team as well as engaging with newly elected MPs from Northern Ireland.

The political briefings in Westminster were informed by the joint IEF/Ulster University research initiative *Transforming Education*, which highlights the role integrated education can play in post-conflict NI.

This phase of the Westminster engagement concluded on 04 March 2020 when senior figures from the IEF hosted a roundtable discussion in Portcullis House. The focus of the discussion was on the commitments given in the *New Decade, New Approach* agreement. The event was supported and sponsored by Shadow Northern Ireland Minister, Karin Smyth MP, who was joined by MPs from across the political spectrum, including former Secretary of State for Northern Ireland Julian Smith MP. Senior representatives from Sinn Fein, the SDLP, DUP, Alliance, Conservative and Labour parties attended the roundtable. The event also offered an opportunity to work with London based Integrated AlumNI (the association for past pupils of integrated schools), with two representatives attending the event.

It was particularly pleasing that the IEF's written submission to the Northern Ireland Affairs Committee Inquiry into Education Funding in NI was referenced and highlighted in the Committee's final report.

4.3.3 Research Based Advocacy

The *Transforming Education (TE)* initiative is continuing to help maintain the focus on segregation and duplication in education. Four *TE* briefing papers have now been published: "Employment Mobility of Teachers and the FETO Exception"; "Religion and Education", "Isolated Together: Pairs of Primary Schools Duplicating Provision", and "The Certificate in Religious Education". The briefing papers have generated significant media interest from the BBC and daily newspapers. Equally, they created traction in on-line forums such as Sluggie O'Toole and Scope magazine. The *TE* initiative informs the need for systemic change and has been well received by politicians and DE officials.

A proto-type Toolkit is also being developed with the Ulster University for parents, schools and managing authorities. The Toolkit will provide a road map for isolated pairs of schools so that communities can work together to plan a single integrated school solution.

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In October 2019, the IEF and the Ulster University jointly hosted a NI education summit at Stormont. Representatives from the five main political parties, teaching unions, educational planning authorities and leading business and civic figures attended the event. In light of the success of the event a second summit was scheduled for the end of May 2020. This event will now be postponed until after the government's COVID-19 restrictions are lifted.

4.3.4 Digital Communications

The Fund's social media platforms continue to be important channels of communication. More than 5000 individuals and organisations follow the IEF's Facebook page and Twitter feed, both of which are updated regularly.

4.4 MAJOR GIFT FUNDRAISING: SUPPORTING THE GROWTH AND DEVELOPMENT OF INTEGRATED EDUCATION

This year the IEF continued to action our *Strategic Vision: Integration Works for Everybody 2018-2021*. The objectives of the Strategic Vision require £3.6million being raised over three years. In 2019/20, £0.869million was received and £0.333million was pledged to support work in future years.

Fundraising underpins all aspects of the Strategic Vision, from planned actions to empower parents and schools, to grant making and advocating for policy change.

The IEF's need to fundraise remains because the government does not yet plan effectively to meet demand for integrated education. Financial support is needed to work with parents, local communities and schools wanting to access integrated education. Parents need to know how they can create an integrated choice for their child and be supported with information and guidance. Communities need to know how their opinions can be considered when planning is taking place for education in their local area. Transforming schools need to be helped on their journey to integrated status through additional training, practical support and marketing. The Fund also needs to advocate successfully for policy change so that one day the need for the Fund will be diminished or even removed. All this work requires financial and practical support from the IEF, through the generous support of its donors.

The IEF Campaign Council, chaired by Baroness May Blood, and comprising a number of the Fund's key donors and supporters, continues to meet twice per year. The Council provides invaluable advice and guidance to the campaign. The Council's meeting on 28 April 2020 took place online and video conferencing will continue to be used for meetings of the Council as required. Monthly updates are being provided to members by email as the health crisis continues.

4.4.1 Planned events

The fundraising team organised and delivered a series of planned enlistment and fundraising events throughout the year to assist both prospect development and income generation.

In Northern Ireland, it hosted another successful 'Day at the Races' at Down Royal Racecourse on May Day 2019. Guests were entertained by local comedian and broadcaster, Tim McGarry, who delivered his classic stand-up comedy routine to get the day off to a flying start. Profits from the event were boosted by the generous donation of an oil painting by acclaimed local artist, Neil Shawcross, a regular contributor to the Fund's work. A further event was scheduled to take place on 17 March 2020, St Patrick's Day, but unfortunately this event had to be cancelled due to the COVID-19 crisis. Another successful 'Stand Up for Integrated Education' Comedy Gala was held in the Ulster Hall in Belfast in September, yet again with the support of Tim McGarry and fellow entertainers, Colin Murphy, Jake O'Kane, Teresa Livingstone and Wendy Wason. The event was another sell out and generated £14,218 net income for the Fund. Many guests also attended a special after show party in

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the nearby luxurious Grand Central Hotel. The IEF is immensely grateful to all the performers who donated their time for free and ensured the event was both memorable and hugely successful.

The Fund was also involved in a number of special projects throughout the year. In October 2019, the 11th Carson Awards Showcase took place at the wonderful Ormeau Baths in Belfast, celebrating the previous year's achievements. The event included drama, short film, artwork and musical performances from integrated primary schools and colleges, all celebrating 'what integrated education means to me'. Broadcaster Maxine Mawhinney kindly travelled all the way from London especially to compere proceedings. The Carson Awards is continuing to grow year on year in both quality and quantity and the IEF is indebted to Tony Carson for his continued support.

Local music legends, Stiff Little Fingers, furthered their support during 2019/20, which included collections and merchandise sales throughout the year. Thanks to the Integrated AlumNI and other volunteers, the IEF had a presence at a number of major gigs in London, Glasgow, Belfast and Dublin. The band commissioned a special t-shirt for their Belfast Custom House Square concert which was sold in aid of the Fund. Unfortunately further support was inhibited by the cancellation of the 2020 St Patrick's Day concert in Glasgow where a special auction organised by fans in aid of the IEF had also been due to take place.

In May 2019, the IEF's Campaign Council was proud to host a unique event with US Senator George Mitchell and Jeremy Paxman. The 'in conversation' style luncheon was generously sponsored by Garry Wilson of the Turnaround Foundation, with further support from Tony Carson who secured both the venue and a special one off 'Good Friday Ale' for the occasion. The intimate lunch was a wonderful opportunity to hear from the chief architect of the Good Friday Agreement whilst he was being interviewed by one of the finest broadcasters of all time.

The now annual House of Lords 'Thank you' dinner with Baroness Blood was once again a great success, attracting over 100 supporters. This November 2019 event was generously sponsored by Tony Carson, and the special guest speaker was Anne Anderson, Principal of New-Bridge Integrated College, Loughbrickland.

The continued support of our work by the British and Irish Governments was highlighted by two private Ambassadorial dinners held in Dublin and London during 2020. In January, the British Ambassador to Ireland, Robin Barnett, welcomed a group of prominent business leaders to his private residence in Glencairn, Dublin. In February, the Irish Ambassador to the UK, Adrian O'Neill, held a similar event for guests at the Irish Embassy in London. The IEF is extremely grateful for such support and the opportunities they generate.

In the United States, the work of the Fund was profiled by the Eithne and Paddy Fitzpatrick Memorial Fund during their Golf Day in May 2019 which continued to support the new Children's Centre at Omagh Integrated Primary School. Unfortunately, the final Kevin Curley Shamrock Shoot-Out Golf Tournament in Dallas in September was once again postponed at the last minute due to unforeseen weather conditions and came too late for the Northern Ireland Fundraising Manager, Brian Small, to change travel plans. However, Brian was still able to meet with a number of our friends and supporters in Dallas including the Ireland Funds Texas.

This year also saw a planned visit to Boston, Massachusetts cancelled due to the outbreak of COVID-19. Baroness Blood was due to present to a distinguished gathering of our friends from the Irish American Partnership at their St Patrick's Day Breakfast in the Boston Harbor Hotel.

The IEF is grateful to have benefited as a Flagship Grantee of the Ireland Funds which provided significant support to our Integrate My School campaign, with further support from individual donors and the Ireland Funds Australia making a huge difference to this area of work. The IEF was therefore delighted to play a major role in the Ireland Funds Worldwide Conference held in Belfast, June 2020.

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A number of Ireland Fund staff and donors visited Cliftonville Integrated Primary School in North Belfast to hear first-hand how our campaign was progressing and Baroness May Blood was also a panel guest during one of the Plenary Sessions held at the Culloden Hotel. Chairman, John Fitzpatrick, spoke highly of our work during a prestigious Gala Dinner held at St Anne's Cathedral in Belfast.

The Fund is indebted to all our friends around the world who not only fund specific projects in integrated schools, such as through the Ireland Fund's donor advised donations, but also promote integrated education and the work of the Fund whenever there is an opportunity.

4.4.2 New prospect development

Reaching out to potential new supporters is an essential part of fundraising. This is achieved through regular briefings and meetings with prospects, as well as through fundraising and enlistment events.

The IEF Campaign Council is also a significant source of new contacts and networks.

In September 2019, the IEF was very grateful to Roger Cummings and Marie O'Riordan for their support for a magnificent reception held at Big Sky Studios in London. Baroness May Blood and India Fahy (Integrated AlumNI), spoke passionately about the work of the Fund, and compere for the evening was once again the fabulous Maxine Mawhinney.

4.4.3 Existing supporter development

The Fund benefits from a high level of support from its existing donor base.

The continued support of long-standing donors Sir Harvey and Lady Allison McGrath and that of Ray O'Rourke KCB and the staff of Laing O'Rourke make a huge financial contribution to the IEF. Without such generosity the work of the Fund would be greatly restricted.

The IEF appreciates any support it receives and in all its forms, including the many individuals who contribute regularly through the Ten Club.

As well as personal meetings, the fundraising team use a number of different communication methods, such as the Learning Together newsletter, ezines, email and social media to keep supporters up to date and convey appreciation. The annual House of Lords dinner is a great way to show gratitude and allow donors to hear first-hand from beneficiaries of the Fund's grant making.

The IEF appreciates the support of all the integrated schools which regularly facilitate visits from IEF donors and supporters, enabling them to witness first-hand the difference their support has made. Unfortunately, the outbreak of COVID-19 impacted on the ability of some integrated schools to get behind the IEF's 'Odd Socks Day' fundraising initiative during Integrated Education Month in March 2020.

4.4.4 Other trusts and foundations

Developing relationships with other trusts and foundations is a very important part of the Fund's work. The Open Society Foundations (OSF) continue to support the parental engagement campaign and community consultations as well as the professional development of teachers in integrated schools with a focus on anti-bias and anti-racism. The OSF also supported Saints and Scholars Integrated Primary School in Armagh where a special project supported the needs of Bulgarian Roma children in their school.

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The Fund continues to work closely with the Pears Foundation who provided a further major contribution to support the IEF's Trust Programme, with additional funding generously provided by the local foundation, Ulster Garden Villages, as well as through Rory Cameron of the Ireland Fund America. (See also section 4.2.3 The Trust Programme.)

This year the IEF was delighted to work with a number of other foundations to support specific projects such as the ARN Foundation (for Cliftonville, Crumlin, Mallusk IPSs and North Coast IC), the Magheramourne Foundation (for Saints and Scholars, and Mallusk IPSs), The Community Foundation of Northern Ireland (Ulster University Research Briefings), the Belfast Trust for Integrated Education (for Malone IC), the John Wilson Trust (for Brownlow IC) and the Big Lottery Fund (for a Mental Health Conference) to name but a few. (Please also see page 13 of this report).

A number of other Trusts and Foundations generously supported the work of the Parental Engagement and Integrate My School Campaign including the Turnaround Foundation, Eighty Eight Foundation, the George and Angela Moore Foundation and Rory Cameron through the Ireland Fund America, the Allen and Overy Foundation, Citi, Ulster Garden Villages and the Reconciliation Fund of the Department of Foreign Affairs and Trade (Ireland).

4.4.5 Gifts in kind

The IEF is indebted to the many people and organisations who provide support 'in kind'. Besides volunteering, there are many examples of people giving their time freely to speak and perform at IEF events, provide venues and hospitality free of charge for meetings and receptions, and donate items to benefit fundraising or indeed the schools directly. For example, the comedians who gave their time freely to perform at Comedy Nights in Belfast and London, Leyland Paint in Carrickfergus which regularly donates paint to benefit a large number of the schools, and the Ormeau Baths which provided the facilities for our Carson Awards Showcase. There are too many people and organisations to list here but rest assured we are extremely grateful for such support.

5 FINANCIAL REVIEW

5.1 PRINCIPAL FUNDING SOURCES

The Integrated Education Fund continues to work from its capital base which is supported by its major gift fundraising campaign, (receiving donations from individuals, businesses and other trusts and foundations), income generating events, and investment income. The Fund also acts as an intermediary body to administer grants and donations on behalf of other outside funding bodies and individuals.

Total expenditure in 2019/20 was £1,310,621 compared with £1,348,377 in the previous year. Total income was £900,782 compared with £839,702 in the previous year. Charitable activities accounted for 85% of all expenditure and the cost of generating funds accounted for 15% (in 2018/19 the comparative figures were 84% and 16%). This year, after recognised gains and losses were considered and transfers between funds had taken place, there was a net loss of £449,073 compared to a net loss of £489,444 in the previous year. The loss of £449,073 is made up of a net loss of £371,093 in unrestricted reserves and a net loss of £77,980 deducted from restricted reserves.

5.2 INVESTMENT POWERS AND POLICY

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

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During 2019/20, IEF funds were deposited with Bank of Ireland, Danske Bank, Davy Private Clients UK, First Trust Bank, Lloyds Bank, Progressive Building Society, and Ulster Bank. The level of funds held as cash in these banks i.e. £1.650million in total (£2.003million in the previous year), will be reduced when outstanding grant commitments are paid out during 2020/21.

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

The IEF's day to day banking is conducted through the Ulster Bank.

5.3 RESERVES POLICY

5.3.1 Reserves policy - Unrestricted reserves

At the end of March 2020 the IEF had £1,348,195 in unrestricted reserves (£1,719,288 in the previous year) (see Note 24). Directors are aware that, in terms of reserves, 6 months running costs is generally seen as an acceptable level which, for the IEF, would be £473,000, however the IEF cannot predict in advance what opportunities may occur which schools would want to respond to, such as parental demand for a pre-school. In addition, fundraising is by its very nature unpredictable and, whilst budgets are set according to the overall targets for raising funds, the level of unrestricted to restricted income will vary year on year, whether or not the overall fundraising targets are met. It is therefore IEF policy to hold a relatively high level of unrestricted reserves to cover grant making, running costs, projects planned for 2020/21 and potential fluctuations in unrestricted donations.

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

5.3.2 Reserves policy - Restricted reserves

In 2016, the IEF, like many charities that historically did not produce SORP compliant accounts as they had no obligation to, found themselves with some reserves brought forward for which they were unable to identify the source. Advice on how best to proceed was provided by Finegan Gibson and the IEF's solicitors (Cleaver Fulton Rankin) and the IEF asked CCNI for approval to undertake the transfer to unrestricted funds of these ring-fenced reserves.

In 2018/19, having followed the advice given, and secured the necessary approvals, £300,000 of the ring-fenced restricted reserves were re-designated as unrestricted funds. A contingent liability note was included on the financial statements (see the first item under Note 27 of the 2018/19 financial statements). It is intended that the balance of the ring-fenced restricted reserves will be re-designated in 2020/21.

At the end of March 2020, the balance of restricted reserves was £443,443 (£521,423 in the previous year). This balance will fluctuate during the coming year as other restricted donations are received and/or as the funds are used in accordance with the donors' wishes and IEF grant making policy.

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5.4 GRANT MAKING POWERS AND POLICY

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

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

5.5 OTHER SIGNIFICANT EVENTS THAT HAVE AFFECTED FINANCIAL PERFORMANCE

The negative impact of COVID-19 on the Fund's financial performance in 2019/20 has been described in Section 1 of this report and there is expected to be a knock-on effect in 2020/21 and beyond.

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

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

In the financial year 2019/20, the interest earned was £6,583 (£6,550 in the previous year) and this was transferred to Lagan College on 30 April 2020.

Market performance has led to a decrease in the capital sum invested from £182,794 in 2018/19 to £160,365 at 31 March 2020.

With the agreement of former trustees of the Sr Anna Charitable Trust, the IEF is continuing to work towards transferring this Restricted Capital Fund to a new charity to be administered by Lagan College. Registration of the Sister Anna Chaplaincy Charitable Trust as a charity has now been confirmed by CCNI and the next stage will be for CCNI to provide Section 46 approval in relation to the transfer of funds. The Board of Trustees of the new Trust will continue to apply the interest from the funds for the purposes intended by the Sr Anna Charitable Trust.

7. PLANS FOR FUTURE PERIODS

The IEF is building on solid foundations for a future beyond 2019/20 and the impact of COVID-19. As the IEF makes plans for all its staff to return to work, and schools make plans to re-open, it is time to be thankful. The IEF is fortunate to have been protected by its own reserves and by the government's Job Retention Scheme. It is now time to actively take forward our plans for the future.

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Whatever the challenges might be, there is no doubt that the empowerment of parents, schools and local communities to take action in support of integrated education is working and is gaining momentum. The number of schools that will ballot their parents on whether to transform to integrated status is on the rise and we can expect that to continue despite inevitable interruption. We also hope that the Department of Education will support the first Transformation of a Catholic school to integrated status. Demand for integrated education extends right across the community in Northern Ireland and this would represent a significant milestone.

The IEF will continue to drive forward with its ambitious plans for future parental, school and community engagement. It will work sensitively and constructively to help any school whose parents are interested in this journey of positive change.

As recognised in the *New Decade, New Approach* there is a growing realisation that our current divided education system is unsustainable, financially and morally. This realisation will not be deterred by those with vested interests in maintaining a school system based on separation rather than integration. It is vital that the proposed independent external review of our education system is able to proceed as soon as possible.

The IEF understands that systemic change ultimately needs political will. Evidence-based advocacy, building on the *Transforming Education* research project in collaboration with the Ulster University, is critical if the IEF is to persuade policy makers and politicians to see the social, educational and economic benefits that more integrated schooling can bring. The aim is for the Fund's advocacy work to inform the development of each political party's policies on education with the goal of embedding targets on integrated education in any future Programme for Government.

Going forward, the IEF will continue to support the growth and development of integrated school places in response to parental demand to secure an initial 10% of all school places by 2021 and work towards a government commitment of 30% by 2031.

Yes, much remains to be done, however we will always recognise that little can be achieved without the generosity and support of so many individuals and organisations. Our fundraising campaign will need to continue and ambitious targets will need to be reached. We are confident that the campaign, under the leadership of Baroness May Blood, supported by the Board of Directors and Campaign Council, will continue to work with friends and supporters to ensure success in the years ahead.

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

8. TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the applicable Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

Integrated Education Fund

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Period ended 31 March 2020

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

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

Ken Cathcart
Chair, Integrated Education Fund

19 August 2020