



DIE CUT

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Our cultural relations work builds international trust and understanding, generates opportunities for individuals to fulfil their potential and fosters the co-operation that contributes to a stable world.





# Global network

We have 7,500 staff in the UK and over 100 countries worldwide in offices, teaching centres, libraries, and information and resource centres.

## West Europe and North America

### Belgium

Brussels

### Canada

Ottawa  
Montréal

### France

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### Ireland

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Milan  
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Coimbra  
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Maputo

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Windhoek

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Kano  
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Freetown

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Cape Town  
Durban

### Sudan

Khartoum

### Tanzania

Dar es Salaam

### Uganda

Kampala

### Zambia

Lusaka

### Zimbabwe

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### China

Beijing  
Chongqing  
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Hong Kong  
Shanghai

## Latin America and the Caribbean

### Argentina

Buenos Aires

### Brazil

Brasília  
Recife

Rio de Janeiro  
São Paulo

### Chile

Santiago

### Colombia

Bogotá

### Cuba

Havana

### Jamaica

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### Mexico

Mexico City

### Trinidad and Tobago

Port of Spain

### Venezuela

Caracas

## Central and South Asia

### Afghanistan

Kabul

### Bangladesh

Dhaka  
Chittagong  
Sylhet

### Kazakhstan

Almaty  
Astana

### Nepal

Kathmandu

### Pakistan

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Faisalabad  
Karachi  
Lahore  
Multan  
Peshawar

### Uzbekistan

Tashkent

## South-East Europe

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Tirana

### Armenia

Yerevan

### Austria

Vienna

### Azerbaijan

Baku

### Bosnia and Herzegovina

Sarajevo

### Bulgaria

Sofia

### Croatia

Zagreb

### Cyprus

Nicosia

### Georgia

Tbilisi

### Greece

Athens  
Thessaloniki

### Israel

Tel Aviv  
Nazareth  
West Jerusalem

### Kosovo

Pristina

### Macedonia

Skopje

### Montenegro

Podgorica

### Romania

Bucharest  
Cluj-Napoca  
Iasi

### Serbia

Belgrade

### Turkey

Ankara  
Istanbul

### Ukraine

Kyiv  
Donetsk  
Lviv  
Odessa

## India and Sri Lanka

### India

New Delhi  
Ahmedabad  
Bangalore  
Chandigarh  
Chennai  
Hyderabad  
Mumbai  
Pune  
Kolkata

### Sri Lanka

Colombo  
Kandy

## Near East and North Africa

### Algeria

Algiers

### Egypt

Cairo  
Alexandria  
Heliopolis

### Jordan

Amman

### Lebanon

Beirut

### Libya

Tripoli

### Morocco

Rabat  
Casablanca

### Palestinian Territories

East Jerusalem  
Gaza

Hebron

Khan Yunis

Nablus

Ramallah

### Syria

Damascus  
Aleppo

### Tunisia

Tunis

## Russia and North Europe

### Czech Republic

Prague  
Brno

### Denmark

Copenhagen

### Estonia

Tallinn

### Finland

Helsinki

### Hungary

Budapest

### Latvia

Riga

### Lithuania

Vilnius

### Norway

Oslo

### Poland

Warsaw  
Kraków

### Russia

Moscow

### Slovakia

Bratislava

### Slovenia

Ljubljana

### Sweden

Stockholm

## East Asia

### Australia

Sydney  
Melbourne

### Burma

Rangoon  
Mandalay

### Indonesia

Jakarta

### Japan

Tokyo  
Osaka

### Malaysia

Kuala Lumpur  
Kota Kinabalu  
Kuching  
Penang

### New Zealand

Auckland

### Philippines

Manila

### Republic of Korea

Seoul

### Singapore

### Taipei

### Thailand

Bangkok  
Chiang Mai

### Vietnam

Hanoi  
Ho Chi Minh City

## Middle East

### Bahrain

Manama

### Iraq

Baghdad  
Erbil

### Kuwait

Kuwait City

### Oman

Muscat

### Qatar

Doha

### Saudi Arabia

Riyadh  
Al Khobar  
Jeddah

### United Arab Emirates

Abu Dhabi  
Dubai  
Sharjah

### Yemen

Sana'a

## United Kingdom

### United Kingdom

Belfast  
Cardiff  
Edinburgh  
London  
Manchester



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# An introduction to the British Council

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We aim to reach one million learners of English worldwide

The British Council builds engagement and trust for the UK through the exchange of knowledge and ideas between people worldwide.

Our operational independence from government enables us to work when and where other relations with the UK are strained, staying for the long term and building trust.

## Our charitable objects

Our Royal Charter sets out the purposes for which we are established. These are to:

- promote a wider knowledge of the United Kingdom
- develop a wider knowledge of the English language
- encourage cultural, scientific, technological and other educational co-operation between the United Kingdom and other countries, or
- otherwise promote the advancement of education.

Our Trustees have given careful consideration to the Charity Commission's general guidance to ensure that there is clear evidence of how the aims of the British Council are carried out through the activities undertaken for public benefit.

## Our three programme areas

In developing the content of our work, we seek to respond to global challenges with programme areas that will meet these charitable objects.

In this reporting year we have continued to focus on three programme areas:

- Intercultural dialogue: our aims are to strengthen understanding and trust between and within different cultures and to encourage people to play an active, constructive part in their societies.
- Creative and knowledge economy: our work promotes the UK as a global hub for education, knowledge, skills and creativity; building relationships and networks that benefit the UK economy; strengthening the UK's position as a centre of culture; and enabling talent and ideas to be shared freely across national boundaries.
- Climate change: we aim to strengthen understanding of the need to tackle climate change among decision-makers, influencers and future leaders. We advance this work by building networks and relationships between influencers around the world.

In each of these areas we will continue to engage in a wide range of activities to meet our objectives within the fields of education, English language, arts, science and society.

## Demonstrating impact

We believe that the best demonstration of the difference our work makes lies in concrete examples drawn from around the world, which focus on impact through changed perceptions, reprioritised agendas, the development of skills and capacity and wider institutional change. This year's annual report centres on narrative case studies, which combine reporting, personal testimony and research data, where available.

# We provide access to skills and qualifications



## Sector

### Arts

## What we achieve

Our global arts team works with the best of British creative talent to develop innovative, high-quality events and collaborations that link thousands of artists and cultural institutions around the world, drawing them into a closer relationship with the UK.

### Education

We work internationally to develop links and partnerships between schools, further education colleges and universities. We provide an international experience to children, young leaders, students, graduates, teachers, business professionals and employers by a wide range of programmes, such as sports links and scholarships. We are committed to educational reform and improving policy by internationalising approaches to skills development.

### English language

English and examinations are a growing part of the British Council's work. We aim to reach one million learners through our own centres and three million people who wish to take UK qualifications. We also plan to reach a higher proportion of the estimated eight million teachers of English and two billion learners of English worldwide with new products and services that help them to achieve their goals. In doing this we provide access to skills and qualifications that open up opportunities and build an appreciation of the UK.

### Science

We help to build lasting relationships between scientists and researchers around the world and support scientific collaboration by the exchange of ideas and knowledge. We encourage people to talk about science and its impact upon society.

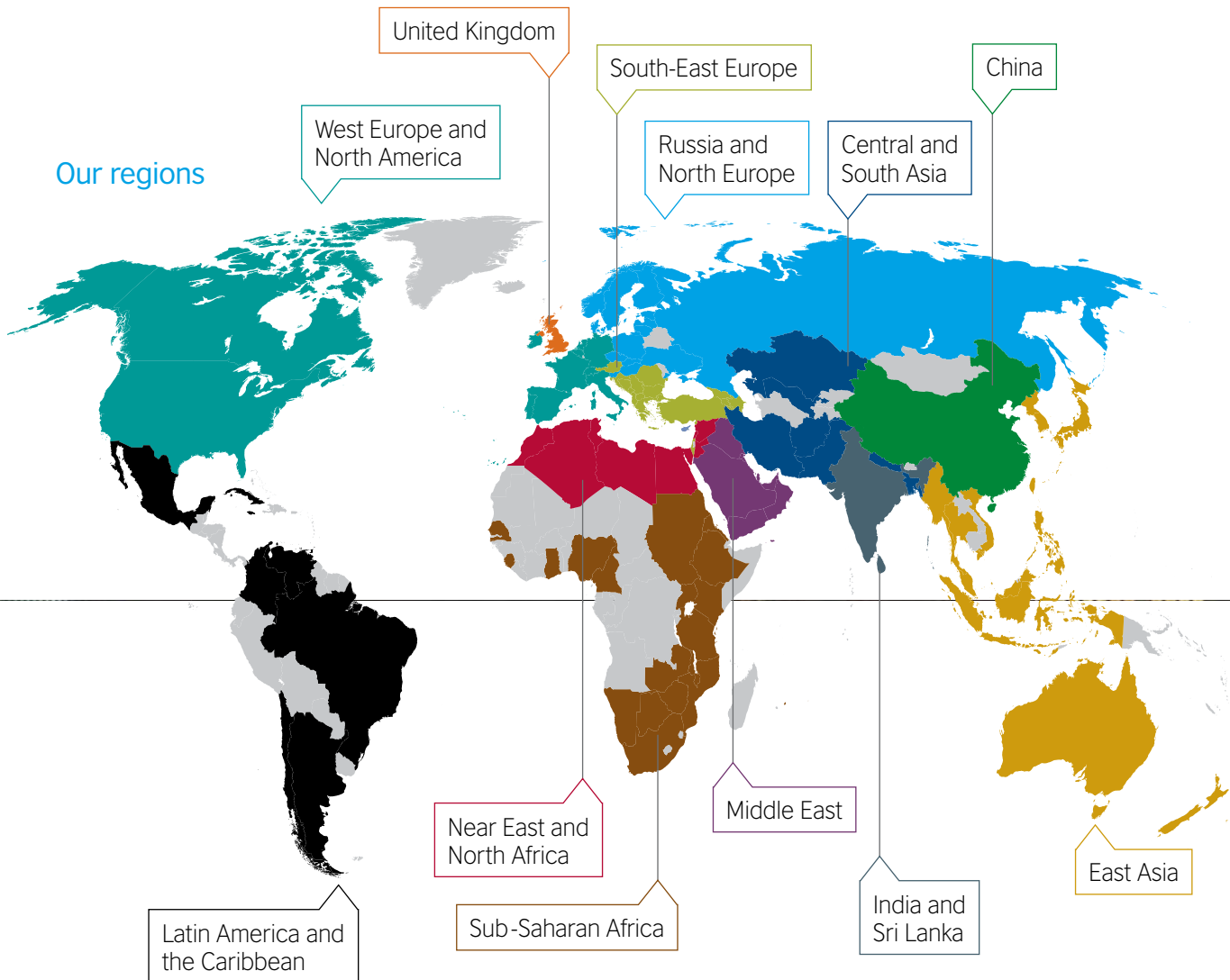
### Society

Our work in governance and society explores and shares experiences and information about the roles of citizens, governments, the private sector and civil society worldwide. Our projects encourage organisations to deliver better services to citizens and to enhance their capacity to play a part in democratic processes. In doing so, we strengthen relationships with the UK.



# Where we work

## Our regions

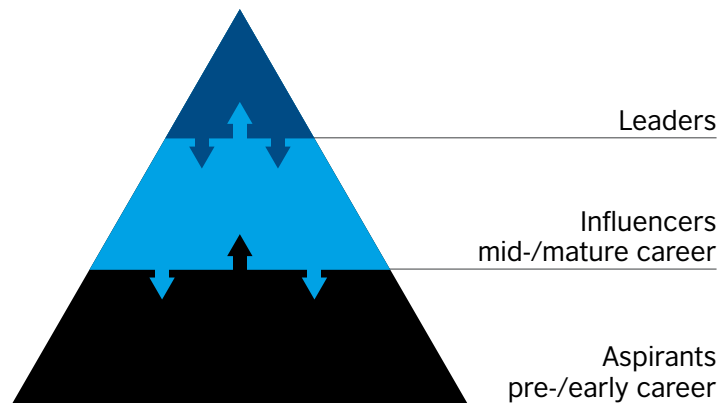


## The people we work with

Our programmes are based on connecting people irrespective of their economic means.

We seek to work with three main groups:

- **Leadership level**  
Typically through tailor-made programmes
- **Influence level**  
Typically through large-scale and local programmes
- **Aspirant level**  
Typically through online interaction, English language teaching, examinations and services



# We work in 11 regions and more than 100 countries



## We work in the UK and five types of country:

### Country type

### What we achieve

**Isolated countries,**  
e.g. Burma and Zimbabwe

We provide a lifeline to the outside world by means of our educational, cultural and social programmes.

**Building trust countries,**  
e.g. Pakistan  
and the Middle East

In countries where the UK needs to build trust, we work to encourage dialogue; to provide access to English, education and skills; by sharing culture to tackle misconceptions on both sides; and to build employability, prosperity and trust.

**New and emerging economies,**  
e.g. India and China

We work with a wide array of UK partners – educational, cultural and business – to increase access to UK education, culture and the English language and build prosperity and sustainability.

**Developing countries,**  
e.g. Nigeria

We provide access to social and educational development, we deliver development contracts and we enable cultural exchange, which builds capacity, understanding and prosperity.

**Open and developed countries with strong, pre-existing ties with the UK,**  
e.g. France and the USA

We work in partnership with educational and cultural institutions, business, the EU and international bodies. We connect young people through school links, scholarships and exchange programmes and build influential networks across continents to share experiences, solve common problems and maintain and strengthen international relationships.

**United Kingdom**

We provide educational opportunities for young people by linking schools and further and higher education institutions throughout England, Scotland, Northern Ireland and Wales with international counterparts. We help the UK higher education sector by attracting international students. We support the best of the UK's artistic, creative and scientific content to reach overseas audiences, as well as linking UK experts in education, arts, sports, science and governance with other experts around the world.

## Foreword by the Chair

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The Rt Hon. Lord Kinnock  
of Bedwelty

I have been  
honoured to chair  
the British Council,  
which has led the  
United Kingdom's  
international and  
cultural relations  
since 1934.

The leading international  
organisation for cultural  
and educational  
relations since 1934.







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As this annual report abundantly shows, in our 75th anniversary year the British Council and its people have achieved further successes and substantial growth in activity.

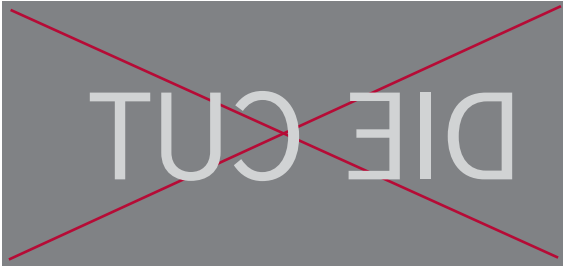
At a time of global economic recession, and when several parts of the world suffer great political instability, these achievements are a tribute to the people who work for the organisation in more than a hundred countries.

After three-quarters of a century, it is natural that we should be asked for a definition of our purpose. The words of one of my predecessors in the early 1940s have never been bettered: 'We should give the world free access to our civilisation and free opportunity to form its own judgement on our outlook and motives ... We have in many places a wary and critical audience ... but, everywhere, people turn with relief from the harshly dominant notes of ... propaganda to less insistent and more reasonable cadences ... We do not force anyone to "think British", we offer them the opportunity of learning what the British think.'

The 'reasonable cadences' are now reaching the largest world audience that we have ever gained. We are using the most modern technology and techniques to achieve that, and to continue to fulfil our original enlightened mission. Indeed, it is that fidelity to its founding purposes that gives the British Council its strengths and its ability to adapt to changing demands across the world.

Over the last year I have again witnessed the effectiveness of our work and the educational and aesthetic benefits that it has provided for professionals and policy-makers from the UK and other countries, and programmes with special significance for young people have been particularly impressive:

- Our Connecting Classrooms programme is helping to provide a global dimension in the education of students from Afghanistan, Bangladesh, Pakistan and the UK. International partnerships between schools are creating virtual classrooms for global learning, intercultural dialogue and increased mutual understanding. In order to sustain the development of these links we brought together practitioners and policy-makers from the four countries to a conference in Nottingham, where they heard from Nobel Laureate Professor Amartya Sen, who provided inspirational insights into the task of meeting the demands of young people and their teachers across the world.
- The Global Changemakers are a group of people aged under 25 from the UK and 59 other countries who all share active commitment to securing a better future for the planet they will inherit. At the end of March we assembled representatives from the group to bring their concerns and recommendations to G20 Ministers attending the London Summit. They met leading politicians and policy-makers and gave media interviews that expressed their practical ideas for achieving a more just and sustainable tomorrow.



- Premier Skills, the ground-breaking partnership between football's Premier League and the British Council is going from strength to strength following the formal launch last October. The project is reaching out to young people and coaches in Uganda, India, China and Sudan and 11 other countries. More will follow as we extend this scheme, which combines high-quality sports coaching with English language tuition, leadership development and basic IT skills. We greatly appreciate the contribution of the Premier League to this venture – which is truly a world first.
- Together with the Foreign and Commonwealth Office and the European Commission we held a Mock Council of the European Union for secondary school students in England. A similar event was held in the Northern Ireland Assembly, also partnering with the European Commission. They participated in ministerial-style debates and faithfully represented member states' policy positions on food safety, climate change and migration. The standard of the contributions can only be described as brilliant, and the students manifestly increased their knowledge and understanding of the operation of EU institutions and the objective reasons for policy diversity among member states. The project was so productive that similar activities are planned covering the G20 and other multinational meetings.
- International Inspiration is an unprecedented programme by which 12 million children and young people in 20 countries will pursue sports in the build-up to, and as a legacy of, the London 2012 Olympic Games. Our 11 partners – including UK Sport, UNICEF, and the national Olympic and Paralympics organising committees – bring their own unique strengths and expertise to a cultural relations enterprise that has already reached more than 500,000 young people since it was launched formally last November.

These activities provide a minute sample of the British Council's achievements and accomplishments over the last year, and even the more extensive list of activities set out in this annual report does not do full justice to the huge variety and high success rate of the British Council's programmes.

The engagement and professionalism of the British Council staff who attain these results is impressive and often inspirational, and I offer them the thanks of the Board of Trustees. Those employees are, of course, the engine of the British Council's advance – as they have been for the last 75 years and will be in the future. Equally clearly, their safety and security is, and always will be, of paramount importance to us. It was with great regret, therefore, that these concerns forced us to suspend our operation in Iran in February of this year. The ability of our Iranian staff to operate without serious impediment and fear had been reduced to unacceptable levels and we had to act. Like many others, we hope for better times in our relationship with the government of Iran so that we can re-establish the cultural and educational links that Iranian people have shown, by their engagement with the British Council, that they value highly.

# Celebrating 75 years of success



Rt Hon. Lord Kinnock. © Navig8/Simon Harvey

In a world that is made smaller by globalisation and by the technology and travel that makes it possible, people are living more closely together and increasingly sharing English as a common vocational language. At the same time, human beings want to sustain the distinctiveness of their origins and persuasions as a source of confidence and identity.

If neither living together nor thinking apart are to become increased sources of mistrust and tension, it is critically important to ensure links of understanding and mutual trust between people. The best vehicle for achieving that is based on cultural relations that are well developed, durable, and which generate opportunity and respect.

Classic diplomacy can – and does – certainly play its part. Corporations can – and do – show sensitivity and practise good neighbourliness. Academics, happily, will continue to develop their productive networks, and entertainers and artists will reach multitudes in all parts of the world. International leaders can – it is hoped, will – heed the example offered by President Obama with his promise to hostile governments that his country is ready to ‘extend a hand if you are willing to unclench your fist’.

These and other means of contact and comprehension all have great and benign potential. But cultural relations activity – planned, established, built and sustained patiently and systematically by professionals who work for an organisation that is dedicated to people-to-people diplomacy, operationally independent, free of ‘messaging’ obligations, versatile and innovative – has special qualities. To adapt a phrase, it ‘reaches the parts that others can’t reach’.

Those are the sturdy characteristics of the British Council. They attract growing demand from users and partners. They motivate staff. Most important of all, they work – and they always will.

I will therefore watch the further development of the British Council with pride. I have had the privilege of working with marvellous colleagues – on the Board of Trustees and staff – and I hope that I was able to make a contribution to the progress of this unique organisation.

*Neil Kinnock*



# Cardiff Online

More than 20,000 teachers from over 175 countries participated

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## Case study

For many teachers around the world, access to the latest thinking and information is hard to come by. Those in poorly resourced regions can only dream of attending an overseas language conference in person. The air ticket alone is a prohibitive expense.

But the latest social media Web 2.0 technology used by the British Council is redressing the balance of opportunity. This year the International Association of Teachers of English as a Foreign Language (IATEFL) held its 43rd Annual International Conference in Cardiff. The British Council made the conference freely accessible to a vast internet community of teaching professionals. While 1,600 teachers and educators attended the conference in person, more than 20,000 teachers from over 175 countries took part in Cardiff Online, the ground-breaking developmental partnership between the British Council and IATEFL.

Cardiff Online delivered over 50 video sessions, live interactive question-and-answer sessions and moderated discussion forums to a global audience – bringing people together to discuss and disseminate knowledge and experience of English language teaching. Teachers who were previously isolated from these events could interact with conference presenters and other online delegates and access rich content to develop their teaching skills and methodology.

‘We were able to truly participate in the conference and choose the sessions that most suited our needs,’ said one participant from Malaysia who arranged an online drop-in session for her fellow teachers. ‘We all left with a lot of practical ideas for the classroom.’



The British Council stand at the IATEFL Conference in Cardiff, 2009.  
© Nik Peachey

It is this proliferation and democratisation of knowledge that interests Dr Bonny Norton, Professor and Distinguished University Scholar in the Department of Language and Literacy Education, University of British Columbia, Canada:

‘What Cardiff Online does is provide free access to stunning plenaries and interviews – remarkable! Even in remote African regions, as long as there is connectivity and bandwidth, Cardiff Online can reach and include teachers who were previously excluded.’

# Darwin Now

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## Case study



Hornby scholars at the 43rd IATEFL Annual International Conference, Cardiff. © Nik Peachey

## The British Council is taking full advantage of Darwin's bicentenary and has launched Darwin Now as a major large-scale project.

The Darwin Now project, rides on the extensive anniversary celebrations of Charles Darwin, who continues to be a controversial figure in debates on science, religion and society.

Evolution and Darwinism are often regarded as ideas that create a divide between scientific and religious communities. Darwin Now challenges these negative associations and creates an unprejudiced dialogue between secular and non-secular cultures.

A number of British Council offices have already undertaken activity to mark the 200th anniversary of Darwin's birthday on 12 February 2009. The programme of activities will continue to build towards the 150th anniversary – on 24 November 2009 – of the publication of *On the Origin of Species by Means of Natural Selection*.

### Activities in 2008–09 have included:

- The opening of the US version of the Darwin Now exhibition, which took place at the American Association for the Advancement of Science annual meeting to an audience of 10,000 leaders and influencers. A radio programme was also produced and aired in partnership with the BBC World Service as part of the *Science in Action* series.
- The Darwin Now exhibition, which has been produced in 13 countries to date, with another 23 countries planning to launch in the coming months. The exhibition has proved very popular – in the Korean Science Museum it attracted around 10,000 people a month.
- The International Student Summit, organised jointly by the British Council and the Natural History Museum, which took place in July 2008. This gave 190 UK and international student delegates the opportunity to hear scientists outline the history of evolutionary science and its breakthroughs, to question the experts and to debate the issues.
- The Darwin Now Researcher Exchange Programme, which aims to promote the development of new research co-operation and contacts between the UK and other countries. Ten researchers were awarded a Darwin Researcher Exchange Programme award in March 2009 in fields including genetics, biodiversity, psychology and archaeology.

# Introduction by the Chief Executive

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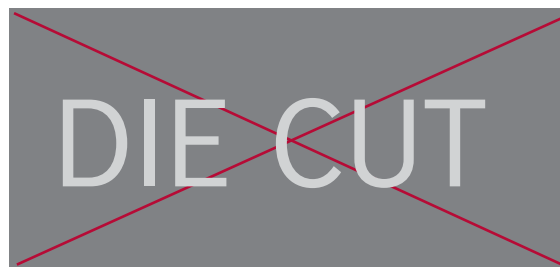
Martin Davidson

We believe that the best interests of the UK lie in a world where the UK is a trusted partner and where people of different cultures and backgrounds work together on foundations of mutual understanding.





400,000 more students are coming through our doors than last year



The British Council was founded in 1934, to build bridges between the UK and a world increasingly turning in on itself.

Seventy-five years later, we are faced with similar anxieties, although the causes are different: economic crisis, climate change, and worries over long-term resources. There is again the risk that countries retreat into protectionism and isolationism – but there is also the opportunity to look outwards towards finding shared solutions to global problems.

This is where cultural relations will play a vital role, building engagement and trust for the UK through the exchange of knowledge and ideas between people worldwide.

The fall in the value of sterling has had an inevitable effect on our finances, leading to a 16 per cent loss in the purchasing power of our overseas grant funds. This means that we will need to focus on significant efficiency savings in the year ahead. However, our teaching centres and examination services have continued to do well, with 400,000 more students coming through our doors than last year. We also continue to supplement our grant funds by earned income, matching every £1 of grant with £2.21 of income from other sources.

To meet the cultural relations challenge of our times, we are committed to doubling the impact of our work over the next five years, by developing long-term partnerships and harnessing technology. We also plan to respond to the growing demand for English, not just by expanding our teaching centre network, but also by increasing support for language learners outside the classroom and by developing English teaching in the school system in priority countries. Earlier this year, I visited China and saw how we are using Voice over Internet Protocol (VoIP) technology to connect Chinese learners with tutors from our network of teachers in Egypt, Brazil and Hong Kong. In the coming year we will be expanding this programme outside China.

Working in partnership is a cornerstone of our work in cultural relations.

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By sharing our international network, our range of contacts and our local knowledge of the countries we work in, we support institutional links between the UK and overseas, as we did for the Victoria and Albert Museum's *World Ceramics* exhibition in Damascus, Tate Britain's Turner exhibition in Moscow and Tate Britain's *Lure of the East* in Sharjah, in the United Arab Emirates, and Istanbul.

Partnership also allows us to benefit from others' experience. For example, in International Inspiration, we work with a wide range of partners to deliver the international legacy programme for the London 2012 Olympics.

These partners bring together a range of expertise in sport, development and education, which helps us jointly to deliver a programme with far-reaching impact, including school partnerships, teacher training, curriculum development, and widening access to sport for millions of young people.

We have used the internet, television and radio to reach 260 million people worldwide. Several of the case studies in this report illustrate how we are using technology not just to inform but really to engage person to person. For example, 20,000 unique visitors from around the world participated in our online coverage of the International Association of Teachers of English as a Foreign Language (IATEFL) conference in Cardiff, listening to live presentations, participating in forums, blogging and twittering. In Pakistan, we used a reality show television format to connect and inspire, as over 30 million viewers watched young people from diverse backgrounds compete to represent their country in an international Youth Parliament. And in Nigeria, our innovative *Teacher Development by Radio* programme reaches over 70 million people in remote parts of the country.

We are also beginning to reap the benefits of our move to regional working and our development of large-scale global and regional programmes. A number of these programmes focus on people who can and do inspire others, for example our global network of 'climate champions'. We develop their skills and facilitate partnerships, with exciting results, as described in the case studies in this report. Another group of important 'influencers' is the young 'creative entrepreneurs', to whom we offer international and UK awards across the arts sectors. To date, over 40 countries have participated in the awards, resulting in a thriving network of UK and international entrepreneurs, who encourage and inspire each other, often collaborating on international projects.



Martin Davidson. © Alexander McIntyre

A central part of our cultural relations work, across all our programme areas, is to encourage people in the UK to work with people throughout the world and to understand better how to engage with other cultures.

For example, the Prime Minister's Global Fellowship offers the UK's next generation of leaders the opportunity to gain an understanding of what it will take to compete in, and contribute to, the new global economy. Around a hundred talented young people visited Brazil, China and India for an insight into culture, education and business in these major emerging economies that are transforming the world in which we live. These visits gave them the chance to develop the global awareness and enterprise skills that will be needed to make Britain a success story in the future. They returned home with a responsibility to share what they have learned with their communities.

The Fellowship is funded by the Department for Children, Schools and Families, and is designed and managed by the British Council in collaboration with the Talent and Enterprise Taskforce.

One participant commented:  
'I now know that I need to be  
equipped to face the whole  
world, not just my country.'

A handwritten signature in black ink, appearing to read 'Mohd. Javied', written in a cursive style.

# London Book Fair

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## Case study



Lord Kinnock at the London Book Fair. © David Lake

We worked in partnership with the London Book Fair to deliver a high-profile cultural programme for the Arab World Market Focus 2008, which highlighted the literature and business opportunities in the region at the fair, one of the biggest publishing industry events in the world.

The twenty-two countries of the League of Arab States were represented as part of the programme. The British Council played a unique and dynamic role in introducing publishers and writers from the Arab world to the UK, and vice versa, by a programme of seminars, professional development workshops, networking events and public performances that aimed to change perceptions and encourage collaboration within the UK and Arab publishing industries.

The cultural programme covered a wide range of topics, such as trends in contemporary Arab fiction, Iraqi literature and publishing and *The Latest Lingo* – a seminar that explored the latest phenomenon from the Maghreb where slang and rap are being translated from Arabic into French and English. The richness of the programme attracted large audiences of industry professionals and the wider British public at events around the UK; some of the most prolific Arab writers today attended events, such as the winner of the 2008 International Prize for Arabic Fiction, Bahaa Taher, author of *The Yacoubian Building*, Alaa al Aswany, and winner of the 1997 Naguib Mahfouz Award for Literature, Mourid Barghouti.



Industry professionals at the London Book Fair.

Through the cultural programme and media campaign we reached well over one million people across the UK and the Arab world. The project provided a platform where challenges, scepticism and misunderstandings that had led to a lack of collaboration in the past could be addressed. By introducing UK audiences to contemporary Arab thought and creativity through literature, we were able to challenge the stereotypical views of the region and perceived barriers to co-operation. There is still progress to be made but, one year on, there has already been a marked increase in motivation to form mutually beneficial partnerships between publishers, and growth in the translation of literature.



# Connecting Classrooms

## Case study



A pupil from the Wei Yu High School link with Notre Dame High School. © Malcolm Harris and Dai Wei

Our Connecting Classrooms programme builds lasting partnerships between schools in the UK and in other countries. Young people collaborate on curriculum-relevant projects that develop their appreciation of different cultures and identities, and equip them with the skills they need to live and work as global citizens. The programme is a hugely important part of our work in intercultural dialogue, developing trust and understanding between young people in different societies. Connecting Classrooms supports the UK government's agenda, which is to internationalise the experience of children in the UK, irrespective of their background.

This year we have focused on rolling out Connecting Classrooms globally, building on the success of regional programmes, while also expanding the range of projects and services on offer within it.

We have consulted education professionals worldwide and customised the programme so that it can address local educational needs and priorities in every region. This means, for example, that Connecting Classrooms participants in East Asia, where information and communication technology (ICT) is a priority, can work with UK partner schools on projects that develop learners' ICT skills. Alternatively, schools in the Central and South Asia region and the UK can work together to address shared concerns about social cohesion.

Through one such partnership, learners in Kirklees in England and Pishin in Pakistan have collaborated on curriculum-based projects designed to build their understanding and respect for diverse communities, locally as well as globally.

In Kirklees, this has real resonance, given that the five schools serve varied groups living parallel lives, including Muslim and white working-class communities in socially and economically deprived areas. One project – 'All about me, all about you' – challenged perceptions and misconceptions about identity and diversity, by presenting a Pakistani perspective that was different from that of the Mirpur region of Azad Kashmir, where the families of most Pakistani Muslims in Kirklees originate from. In Pishin, Connecting Classrooms has also provided a unique opportunity for different types of schools within Pakistan to work together, including state primary and secondary schools, a private school and a *madrassah*.

The success of this Connecting Classrooms partnership lies in its efforts to build capacity for positive improvement from within – contributing to community cohesion by forging meaningful connections between community groups in and around the schools, in both Pakistan and the UK. It is just one Connecting Classrooms partnership among almost 2,500 established by the end of 2008–09. Together, these partnerships have engaged more than one million young people worldwide.

## Our performance

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Our work is focused on cultural relations – that is, interaction and engagement that build trust and mutual understanding internationally.




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## Measuring our performance

The British Council is a public body and a charity audited by the National Audit Office. Our annual report meets the requirements of Her Majesty's Treasury for the reporting of non-departmental public bodies and the requirements of the Charity Commission. It is the public record of our achievement over the period of the financial year 2008–09. It sets out the progress we have made towards the objectives we set ourselves in our *Corporate plan* for 2008–09, which was informed by the strategic priorities of the Foreign and Commonwealth Office as our sponsoring department, and agreed by our Board of Trustees.

Our work is focused on cultural relations – that is, interaction and engagement that build trust and mutual understanding internationally. With this engagement, we aim to generate opportunities for individuals to fulfil their potential and to foster the co-operation that contributes to a more stable world.

## How we measure the performance of our customer-facing activities

We use our Corporate Scorecard to track the:

- scope
- scale
- quality
- impact

of the cultural relations work that we undertake around the world.

## The scope of our cultural relations work

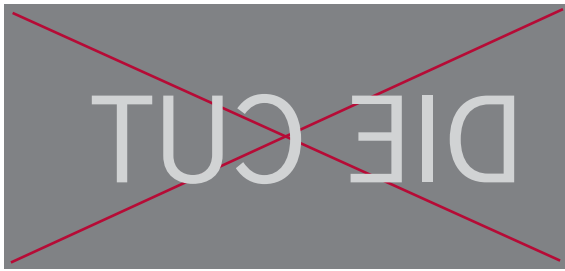
In the past year we have carried out projects and programmes in over 100 countries in 11 geographical regions.

**Our work spans three programme areas and five sectors:**

- programme areas: intercultural dialogue; the creative and knowledge economy; and climate change
- sectors: arts, education, English language, science and society.

Within these areas and sectors we have had ten grant- and partnership-funded programmes at a multi-regional scale in full implementation and ten more at various stages of testing and development. A further 35 programmes are running at a multi-country scale within individual regions. This pattern reflects our strategic shift of resources towards a larger scale of activity.

In addition, we have continued to deliver cultural relations projects on behalf of other government agencies and non-governmental organisations. Over the last year we have been involved in managing 14 contract programmes, each worth over £3 million, along with many smaller projects.



In 2008–09,  
we engaged  
face to face with  
13.2 million people

We have also provided English courses for adults, young learners, local teachers and corporate clients in 71 English language teaching centres in 49 countries.

We delivered 800,000 IELTS tests and administered other English language, school, professional and educational examinations on behalf of UK examination boards in centres in 92 countries.

#### The scale of our cultural relations work

The basic measure of the scale of our work is the number of people with whom we work and interact around the globe.

In 2008–09 our direct engagement – that is, overseas audiences involved in person-to-person exchange by means of British Council cultural relations programmes – was 13.2 million. This figure reflects the development of a more robust articulation of what we mean by ‘engagement’ with customers. Figures reported for 2007–08 included engagement figures from some very large public events – in particular, major festivals in China. Following our clarification of engagement, this sort of participation is now excluded from our reported figures.

On a like-for-like basis under our refined definition of direct engagement, our 2007–08 figure would be restated as 13.8 million.

Much of our work involves consciously making connections between people overseas and people in the UK. Our estimate is that almost half a million people in the UK have been directly engaged with our programmes this year – a large number of these through our work with schools, colleges and universities.

In many countries, people of influence and authority with whom we directly engage disseminate increased awareness, understanding and skills by training, coaching and advocacy to wider groups and communities. Each year we estimate the audience for the first level of this dissemination process. In 2008–09 our first-level dissemination audience – our indirect engagement – was 12.3 million.



We have almost doubled our reach this year from 112 million to 221 million



Our large-scale programmes increasingly seek to make use of the benefits of the efficiency and access provided by the conventional media of print and broadcast and newer technology, including the internet. Our growing ability to communicate successfully in these areas is reflected in the near doubling of our reach this year from 112 million to 221 million.

### The quality of our cultural relations work

We measure the quality of our work by analysis of the feedback from our directly engaged audience, partners and stakeholders.

Over the last 12 months we have collected quantitative feedback on customer satisfaction from 260,000 of our directly engaged audiences around the world. We take great encouragement from the fact that, during a period of significant organisational and operational change, our overall customer satisfaction score remains very high at 81. This is well within the range of 75+ that the National Audit Office has identified as indicating that our work is making a difference, and is similar to last year's score of 80. This overall customer satisfaction score is itself made up of two component metrics: meeting expectations and quality. The global score for meeting expectations was 80 and the score for quality was 82.\*

For the first time this year we have also introduced a new advocacy metric, which is a measure of the willingness of our directly engaged audiences to recommend working with the British Council. Similar measures are used by many of the world's leading organisations to assess whether their products and services are creating customer advocates. In line with common practice our rating is reported as a net figure – the difference between the proportion of our audience who are positive advocates and the percentage whose views remain negative. External studies have suggested that benchmark ratings on this type of advocacy measure vary significantly by region and by industry. Overall achieved ratings can sometimes be negative but world-class performers often report percentage figures in the range 50–80 per cent. Our global net advocacy rating for the year was 47 per cent (weighted to reflect our global audience engagement). We see this result primarily as a baseline from which we will aim to build in the future.

We have also undertaken a major programme of research among important stakeholders and partners across government, education, the arts and industry in the UK. The broad conclusion of this research, undertaken for us by Ipsos MORI, was positive. Among a sample of 50 major stakeholders, three out of four reported themselves very or mainly favourable towards the British Council. In terms of future development, there was a call for increased stakeholder dialogue and the fostering of more strategic relationships with UK partners and stakeholders who are developing international agendas. In response to this feedback, we have created a new external relations team to draw our UK stakeholder work together and to ensure consistency of approach and communications.

\*In its report last year, the National Audit Office (NAO) recommended that we also report these scores weighted by the size of the directly engaged audience we have in each region. Given our efforts to sample customers proportionately, calculations suggest that the unweighted and weighted scores for these indicators are almost identical.

## Our performance

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## Our work is focused on international education

### The impact of our customer relations work

Measuring our impact presents the greatest challenge since our work is diverse, involves interaction with many types of people and has effects that are often long term in nature.

As we focus our work on larger-scale programmes, we are introducing procedures for the systematic monitoring and evaluation of the impact of these programmes against their specific objectives.

One significant area in which we continue to work with a large number of institutional partners is the promotion and support of UK educational opportunities overseas. Our work within the Prime Minister's Initiative, and as a member of the Education UK Partnership, is particularly focused on positioning the UK as a leader in international education. There is both a cultural relations and an economic dimension to this work. For example, estimates made within the Prime Minister's Initiative suggest that the UK's share of the market for internationally mobile students is already worth more than £10 billion.

This year we have tried to assess the wider influence that the cultural relations work of the British Council and its partners has on international students coming to the UK. A survey<sup>†</sup> of first- and second-year undergraduates from overseas currently studying in the UK found that two-thirds were aware of the British Council before they came to study in the UK and 28 per cent had had some level of contact or involvement with the British Council and our partner projects or services in their home country. The most common forms of contact included use of the Education UK website (34 per cent of undergraduates from overseas); taking an examination administered by the British Council (15 per cent); and dealings with a British Council office/library or information service (12 per cent). One in 20 (five per cent) undergraduates from overseas reported that they had studied English with the British Council.

<sup>†</sup> Fieldwork for this research was conducted by Opinionpanel Ltd between 6 and 14 May 2009. The sample consisted of 524 interviews with first- or second-year undergraduates, who had lived outside the UK before starting university, at 96 higher education institutions. Weighting has been applied to ensure the sample is representative in terms of nationality (EU or non-EU), university type and gender.



Of the 28 per cent of overseas undergraduates who had previously had contact with British Council- and partner-delivered projects or services, more than two-thirds – equivalent to one in five of all undergraduates from overseas – said that the contact had had some level of influence on their subsequent decision to come to the UK to study.

In addition, we continue to evaluate systematically the impact we make with the senior decision-makers and influencers with whom we engage around the world via a sample survey of nearly 1,200 people. This study provides important insight into the effectiveness of our work with our highest-value audiences. We call this survey the 'Evaluation of long-term outcomes' (ELTO). The ELTO index score reflects impact in three areas: personal beneficial changes; organisational beneficial changes; and strengthening of relationships with the UK. This year's aggregate score of 76 (77 weighted) remains very high, although we recognise a small downward trend in the score over recent years. Feedback from those surveyed points to a need for us to invest more in sustaining relationships beyond the life-cycle of specific activities, as well as a level of concern about continuity in areas such as northern Europe, where the effects of our budget prioritisation have been most apparent.

We also collate annual feedback from the Foreign and Commonwealth Office Heads of Mission. The year's survey among this priority stakeholder group showed cautious acceptance of the logic of our undertaking larger-scale programmes, along with strong encouragement for maintaining a degree of local flexibility.

Our overall Heads of Mission index score, based on an assessment of perceived impact and value for money was 79, higher than last year's score but still below the scores achieved in 2006–07.

# Our performance

## Summary data

	2006–07	2007–08	2008–09	2008–09 weighted score*
<b>Impact perspective</b>				
Overall assessment by senior decision-makers and influencers (ELTO)	80	78	76	77
Strengthening of ties with the UK resulting from new or continuing engagement with the British Council	74	68	68	69
Personal beneficial changes resulting from new or continuing engagement with the British Council	83	82	80	81
Organisational beneficial changes resulting from new or continuing engagement with the British Council	82	83	81	81
Foreign and Commonwealth Office assessment of British Council impact and value for money	87	76	79	
<b>Reputation and satisfaction perspective</b>				
Customers satisfied with their engagement with the British Council	80	80	81	81
Customers perceive the British Council as a leader in its field	81	81	82	82
Customers would recommend the British Council (net advocacy)				47%
<b>Audience perspective</b>				
Remote reach (millions)	87	112	221	
Engagement (millions)	16.5	15.6	13.2 <sup>†</sup>	
High-level decision-makers and leaders engaged with the British Council	9,063	12,353	8,535	
International students in UK higher education	376,190	389,330	n/a	
International students in UK further education	84,340	74,965 <sup>‡</sup>	n/a	
Teaching centre students and examination candidates (millions)	1.4	1.5	1.9	

\* In 2008–09, in response to NAO feedback, we have weighted the score to reflect the numbers of people with whom we work in different regions.

<sup>†</sup> This figure has been rebased to reflect a tighter definition of direct engagement that excludes some participants in major festivals and exhibitions. On a like-for-like basis the 2007–08 result would be restated at 13.8 million.

<sup>‡</sup> This figure does not include numbers of further education students from Scotland and Northern Ireland, which were not available at time of publication.





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The British Council's  
intercultural dialogue  
programme  
opens the way  
for different voices.

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# Intercultural dialogue

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A pupil from Notre Dame High School takes part in China school links. © Malcolm Harris



## Intercultural dialogue

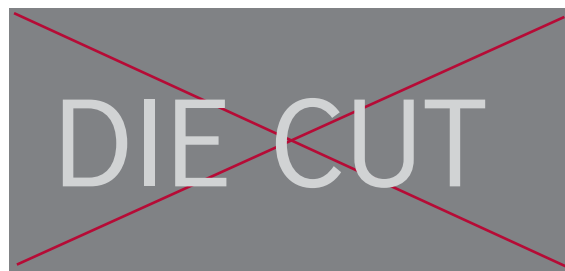
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Our approach to intercultural dialogue provides the UK with frameworks to build lasting international relationships based on trust and understanding. Successful intercultural dialogue depends on people listening respectfully to people from other cultures to explore their diverse viewpoints and values.





We have been leading cultural relations for over 75 years



Intercultural dialogue encompasses culture, identity and politics. Sensitive, informed engagement creates relationships that are vital to the UK's long-term interests.

These relationships are built to withstand changing circumstances and are an investment in sustaining the UK's valuable interaction with the global community.

Our focus lies in working across cultures with young people and those who influence young people. Times change and the methods of engagement change too, but now, more than ever, cultural relations work plays a critical part of international affairs.

### Why

'You can clarify a lot of misconceptions by bringing people together,' said Pakistani pop star Abrar ul Haq in his address to a British Council conference in Manchester in January 2009. He defined, simply, the purpose of intercultural dialogue.

Most of the world's population is young, and responding to their aspirations and concerns has become one of our priorities; their future is critical to building a safe and secure culturally diverse world. We will extend our programme and partnerships to reach those who have previously had limited access and influence. For example, our Reconnect initiative builds the resilience and skills of young people and helps them to become active citizens in their own and wider communities.

Another feature of the world today is the growing strain placed on tolerance by conflict and by a spreading economic crisis, an echo of the era in which the British Council was first established.

Intercultural dialogue programmes open the way for different voices to influence public debate and the news media, strengthening people's ability to challenge simplistic generalisations.

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## How

Intercultural dialogue requires an awareness and understanding of the culture of specific regions – the knowledge and expertise of staff in our worldwide network are a crucial asset.

In all our major programme areas we work to increase the capability of young people to engage constructively in building their future. They have the opportunity to work together across cultures, realising some of the common challenges they face. They also develop their skills for employability.

Partnerships are a part of the British Council's work that is essential to meeting the challenge of maintaining our global impact while having relevance to local situations. Using the power of the British Council's global network together with the resources and expertise of other organisations – large, small, public and private, British and international – multiplies the effect of cultural relations for the long-term benefit of the UK. An example is the volunteer exchange programme Global Xchange, developed jointly by the British Council and Voluntary Service Overseas, which gives young people and community leaders from a range of countries a unique opportunity to contribute together to the needs of local communities.

Intercultural dialogue is a particularly sensitive area of cultural relations, inherently contentious and open to contradictory interpretations. Mutual respect is crucial, as is reasoned disagreement – both build stronger, more authentic and longer-lasting relationships.

Avoiding difficult questions, such as those relating to political conflict or cultural values, is counterproductive; addressing them directly and with respect builds trust.

For engagement to take place activities must be of real value to those directly involved and to the wider professional or social communities they serve: they must provide skills, knowledge or inspiration.

Partnership with London's Royal Court Theatre and organisations working throughout the Near East and North Africa region has opened a rich and continuing exchange between young Arab playwrights and contemporary theatre in the UK. A tour of *Damascus* – a play by David Greig – stimulated vivid and passionate debate about how we interpret our worlds and how we describe them to each other.



## Where

We have reflected current geopolitical priorities by increasing resources to broaden our engagement with young people in the Middle East, North Africa, and Central and South Asia. In Iraq, Saudi Arabia, Egypt and Pakistan our projects are having a deep impact on the personal understanding of participants and on how they contribute to their communities.

The UK's relationship with China has broadened, creating a need for greater mutual awareness; we have set up youth and school exchanges to promote this understanding. Our future programmes will support stronger interaction between the UK and the significant emerging economies of Brazil, Russia, India, China and South Africa. Forthcoming literature work focuses on India and South Africa, deepening our conversation with these two complex and influential countries. The British Council's work in Brazil will draw on its rich pattern of social inclusion and diversity.

In Europe's relatively prosperous societies, including our own, social cohesion is challenged by major demographic changes. Projects such as Open Cities and Our Shared Europe will help to develop an understanding of what living together means for all citizens of Europe, whether from the perspective of cities being open and inclusive or from the need to confront stereotypical attitudes and exclusive interpretations of European history.

Our work in sub-Saharan Africa takes a more balanced approach to dialogue – listening more and encouraging the articulation of issues within a cross-cultural context.

## Plans

Our focus is on working with schools, supporting global citizenship and leadership, and networking. Future emphasis will be on more direct acknowledgement and promotion of the positives of difference, and of the benefits. Using our grant-in-aid and funding under the contracts we manage, our focus will continue to be on three major projects – Connecting Classrooms, Active Citizens and Global Changemakers.

Connecting Classrooms and the Department for International Development school partnerships project are powerful mechanisms for pupils, teachers and education policy-makers in the UK and countries across the world to share understanding of one another's societies.

Active Citizens has established UK partnerships with local communities overseas. It provides a new framework to help young people understand how they can contribute more fully to their societies and the global community, developing skills and self-awareness by means of multicultural learning and active participation.

Global Changemakers offers highly motivated young professionals insights into the arenas where decisions affecting millions are made. It enables them to work together to understand and influence policy formulation, and will create new networks of leaders in society, who will work on the global agendas of the 21st century.

# Inclusion and Diversity in Education

## Young leaders help ensure long-term sustainability

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### West Europe and North America Case study

Imagine you are a head teacher in a secondary school in Europe or an education policy-maker. You know that every year tens of thousands of pupils arrive in schools all over Europe from other countries and that this migration brings with it a wealth of cultures and backgrounds.

Your role is to provide a learning environment that ensures all pupils achieve their potential. This is your educational goal for all the children in your care irrespective of their background. You also understand that it is good for your country or region: in order for Europe to remain competitive in a globalised world it has to use all of its human capital effectively.

To meet these challenges Europe's schools need to create an inclusive, socially cohesive learning space in which all children can thrive and equip themselves in order to make their full contribution to society.

### Inclusion and Diversity in Education, or INDIE, as it is known by all involved, addresses these challenges.

The goal of the project is to publish best-practice guidelines for policy-makers and school leaders on how to promote social cohesion and raise educational standards in culturally inclusive schools. The ambition is for these guidelines to be available to every head teacher in every secondary school in Europe.

INDIE is unique in that it focuses on a core group of motivated young leaders who involve other pupils, teachers, their families and communities in working with teachers, heads of schools and policy-makers. These young leaders train others and this helps to ensure real change and long-term sustainability.

At the Realschule Eschenried in Sindelfingen, Germany, for example, INDIE issues are already being incorporated into project lessons, which run throughout the academic year, and young leaders are training students in lower grades. Bonifacio Alcañiz García, Director, Education Services in Madrid, commented that 'given that students are leaders in the project they have an increased sense of responsibility and are made to realise that they can contribute to a real change in society today and in the future'.

National, regional and local education authorities in nine EU member states are participating in the project: Belgium, Germany, Greece, Italy, Malta, the Netherlands, Portugal, Spain and the United Kingdom.

Following an online survey of 3,500 school-children in participating schools to gauge views on integration in European schools and a series of youth leadership workshops, a European Youth Charter was developed. This expressed the views of young people about what needs to be done to create schools that are inclusive and embrace diversity. The Charter was presented at the European Parliament to policy-makers from the participating countries. Odile Quintin, Director-General for Education, Training, Culture and Youth of the European Commission, who spoke at the event, praised the work of the young people involved, saying that 'the fact that your project combines a local dimension with a European exchange makes it especially valuable'. School-based projects were subsequently devised to address the challenges and ideas in the Charter.





INDIE young leaders develop the European Youth Charter. © Lars Deneyer



An INDIE young leader from Italy, addressing the European Parliament, Brussels. © Lars Deneyer

The project is already making a real difference, even beyond those immediately involved. Les McLean, Quality Improvement Officer for Race Equality for Glasgow City Council, who has been involved with the INDIE project from its inception, has said that the INDIE Charter gave a significant impetus to plans to develop a Children's Charter for all children and young people in Glasgow. 'INDIE was the trigger for us to review the way we work in a number of areas,' he said.

INDIE has touched the lives of students, teachers, head teachers and policy-makers throughout Europe. Johan Cobussen, Co-ordinator at the Olympic College in the Netherlands, put it very well, when he said: 'INDIE is not just a project, it is a vision.'

The next phase of the project will bring together the results of all the school-based projects and, with other data from the project, will form the basis of the best-practice guidelines, which are due to be published in the spring of 2010.

# Global Xchange

440 volunteers from 24 countries participated in the programme

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## Sub-Saharan Africa Case study

Global Xchange provides a forum for young people from varied cultures and backgrounds to interact and experience the traditions, languages and lifestyles of other young people and communities across the globe.

The programme's overall vision is to create a critical mass of young people who have been challenged both to appreciate cross-cultural working and to regard difference as a benefit rather than a threat, thus enabling understanding and trust between cultures.

The Salima–Manchester exchange was established to promote volunteerism as an option for young people in Malawi and the UK. This supports the Malawi government's youth agenda efforts, which are aimed at engaging young people in national and community development.

Salima is distinctly divided into two societies – Muslims and non-Muslims. Global Xchange was able to place foreign volunteers in an Islamic institution to which outsiders had not previously been admitted.



Global Xchange volunteers in Malawi. © Arjen van der Merwe

Jenny Oelman, a volunteer from the UK, wrote: 'Salima district in Malawi, where team 74 were based, had one of the highest levels of religious diversity in Malawi. However, there was very little dialogue between the Muslim and Christian communities. Talking to Christian community members I became aware that some did not even know that there was an Islamic centre within their community, literally a ten-minute walk away. Motivated by this, and the theme of our programme, intercultural dialogue, I started to think about how dialogue between the two communities could be encouraged.'



© Arjen van der Merwe

Jenny continued: 'The result was a Community Action Day [CAD] organised between the local secondary school and the Islamic centre. Considering the lack of communication between the two communities both institutions were extremely eager for the event to occur, leading to the participation of 850 community members.

'Since the event a meeting has taken place between the secondary school and the Islamic centre. It has been confirmed that both sets of students enjoyed the initial CAD and both schools feel it would be beneficial to set up a programme of events for future intercultural dialogue opportunities, with a provisional date set for mid-October for an event on HIV and AIDS. It has also been decided to involve the Kaphatenga Youth Organisation to bring in people from other parts of the community. It is the development of the relationship between the two institutions within the community that has been identified as a "significant change".

'The work of the volunteers has enabled an issue – that has previously been largely ignored – to be focused on, and for sustainable action to be taken to address it.'

UK volunteers arrived in Malawi and expected to find communities where people lived in obvious poverty and were desperate for increased services and facilities. For many there has been a realisation that although development is a positive process, this is only the case if it takes place with the consent and involvement of local people, allowing space for culture and tradition to be preserved. It was widely recognised that while many challenges facing young people in the UK and Malawi are different, both countries have high rates of teenage pregnancy, and the effects of becoming pregnant at a young age, in both countries, can be damaging to the education of young women. It was striking that this was regarded as one of the major similarities recognised by the volunteers.

Global Xchange demonstrates that perceptions, of both developing and developed countries, can be radically changed by bringing young people together in an extensive, reciprocal engagement that challenges them to effect positive change.

# School links

## One million young people were reached in the UK, China and Hong Kong

### China

#### Case study

Schools work in China has been achieving exciting results in recent months, working with an ever-widening network to develop global citizenship skills in young people. Through long-term, sustainable and mutually beneficial links between local education authorities in the UK and China, powerful and long-lasting relationships are created between young people in the UK and China from diverse backgrounds.

In China there are currently 41 such district links, involving 1,212 schools in both countries, with which 254 schools formed new links in 2008–09. The projects engaging these schools reach almost one million young people in both countries.

Each district link develops in its own way, usually with funding from partners, including the Department for Children, Schools and Families, Hanban and HSBC, and with the support and expertise of British Council staff in China and the UK. Very often the links grow beyond education to have an impact in the wider business and civic realms.

Hong Kong is a Special Administrative Region within China. In 2008–09, as part of the development of the British Council's Connecting Classrooms programme in the region, the first link was created between Hong Kong and Portsmouth, focusing on the theme of the student voice, which is an emerging interest for both communities. In Portsmouth, it is a major element of the Portsmouth Learning Community, a school improvement initiative involving a partnership between the Portsmouth local education authority, Portsmouth schools and the University of Sussex. In Hong Kong, it is implicit in education reforms, which envisage a more student-centred style of learning, aiming at students becoming more proactive local and global citizens, able to think creatively and independently within a knowledge economy.

The launch consisted of a visit by 11 delegates from Portsmouth: five students, one principal, four teachers and a Portsmouth local education authority adviser. Four secondary schools and



Pupils from Notre Dame High School link with pupils from Wei Yu High School in China. © Malcolm Harris and Dai Wei

See regional performance, page 75

a primary school were represented. The group visited six schools in Hong Kong to share experiences of 'the student voice' and to establish links. The week-long visit culminated in a forum held in one of the host schools.

**'This event is beyond my expectation! Through interesting and interactive activities I, as a student, can voice my opinions freely. This forum also inspires me to be more involved in school matters and fighting for the student voice.'**

**Loretta Fan**, student

School links work is positively recognised by the education authorities, teachers and students involved. With China's ever-developing education reform demand, it serves as a practical, useful platform for both parties to exchange ideas and explore possibilities. The launch of Connecting Classrooms in the region in 2009–10 will provide opportunities to further extend our work in this area.





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The creative and knowledge economy thrives upon the generation and exploitation of inventiveness, innovation and imagination.



# Creative and knowledge economy

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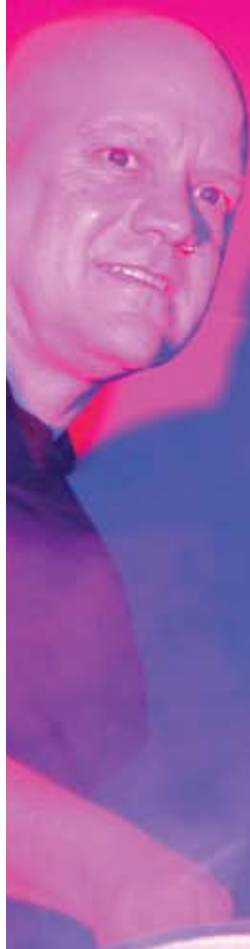


Creative and  
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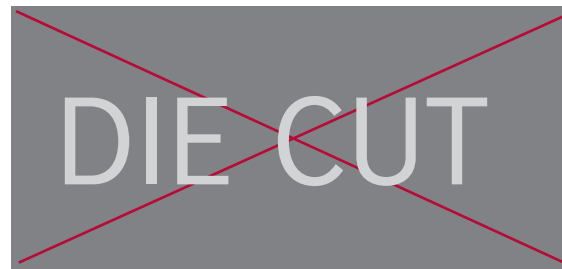
Security, stability  
and prosperity  
are achieved  
by healthy, well-  
functioning  
societies where  
people have access  
to knowledge  
that they can  
use to shape their  
environment in  
creative and  
innovative ways.

Our projects provide  
opportunities for  
young people to  
be inspired.





## Sharing knowledge and ideas



Our cultural relations work in the creative and knowledge economy builds openness, the sharing of knowledge and ideas and the promotion of creativity and innovation. In addition to promoting the UK as a global hub, we help people around the world to benefit from the opportunities provided by the creative and knowledge economy.

**Our work also seeks to share the benefits of the creative and knowledge economy as a very powerful response to global insecurity, financial crisis and isolationism.**

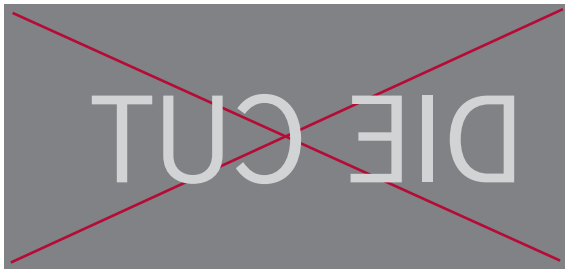
### Why

Security, stability and prosperity are achieved by healthy, well-functioning societies where people have access to knowledge, which they can use to shape their environment in creative and innovative ways. These societies have a good economic base and they are governed well. Above all, these societies are open to the world and are ready to engage and work with other countries for shared benefit.

### How

Our projects seek to influence policy-makers and institutional leaders, ensuring they recognise the value of UK expertise and support an institutional context in which the creative and knowledge economy can thrive. They engage creative people, researchers and innovators from around the world, making sure that the exchanges benefit the UK as well as those countries with whom we work.

Our projects provide opportunities for young people to be inspired by the possibilities of the creative and knowledge economy.



## Promoting creativity and innovation

### Where

Priority countries for our work in the creative and knowledge economy are the dynamic and emerging BRIC economies (Brazil, Russia, India and China) and those in our East Asia and South-East Europe regions. We work with a wide array of UK partners – educational, cultural and business – to increase access to UK education, English language, science and culture and to build creativity, prosperity and sustainability both in the UK and in the countries in which we work.

Our work is also important in those countries with developing economies in our Central and South Asia, Sub-Saharan Africa, Middle East and Near East and North Africa regions.

Here we provide access to educational and research partnerships and skills development to build employability and prosperity. A major aspect of our work in these regions is building dialogue through access to English as well as sharing culture to tackle misconceptions, support innovation and build trust.

Of equal significance are the open and developed regions within the countries in northern and western Europe and in North America. Here, we work in partnership with educational and cultural institutions, business, the European Union and international bodies in order to develop scientific and cultural exchange and build influential networks in order to share experiences, solve common problems and maintain and strengthen international relationships.

## We work with a wide array of UK partners



### Plans

Over the next 12 months we will be developing and delivering new global programmes, which will focus on six areas.

Skills for Employability will help increase the availability of skills that can contribute to employment around the world and the entrepreneurship that creates new jobs. In 2009–10, this programme will be rolled out in the following regions – China, East Asia, Central and South Asia, the Middle East, Near East and North Africa and South-East Europe.

**We will develop at least one new global product that will showcase the best of UK creativity and innovation in the arts and science. This will be tested in 2009–10 in India, China and East Asia.**

We will build on our existing English language product range to develop a global framework for the delivery of English that will extend the reach of our English language work, enabling us to make significant progress in providing access to all teachers and learners of English. Testing of the product will begin in 2009–10.

We will also develop a global product that will support higher education institutions in the UK and around the world in their programmes of internationalisation. Our work will focus on how internationalising higher education by policy dialogue, market intelligence and institutional partnerships, can support the global creative and knowledge economy, benefiting the countries in which we operate, as well as the UK.

We will test two new global programmes in the creative sphere: one – Cultural Leadership International – will promote the development of and interaction between cultural leaders. This will be rolled out in our European regions and in the Near East and North Africa region; two – Young Creative Entrepreneurs – will celebrate and champion the notion of creative entrepreneurship. This programme will support the identification and nurturing of creative leaders while engaging them with the UK as a centre of creative thinking and entrepreneurship.

In the current economic downturn UK government ministers have underlined the vital role that research and innovation have to play in securing the country's long-term prosperity. We will develop a new global programme that supports international co-operation in this area, promoting research mobility and capacity building; creating connections between academia and business; encouraging interdisciplinary research; and creating a policy environment that better supports research and its transformation into innovation.

# International Inspiration

250 young leaders and 5,000 children participated

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Latin America and the Caribbean  
Case study

International Inspiration is a worldwide legacy programme of the London 2012 Olympic and Paralympic Games.

It aims to use the power of sport to transform the lives of millions of children and young people of all abilities, in schools and communities across the world, particularly in developing countries.

The challenges of turning this aim into a reality in Brazil are considerable. There are almost 800,000 children aged seven to 14 who do not attend school. In the semi-arid region in the north-east, where the programme is focused, 13 million children live with some of the worst social indicators in the country – malnutrition and infant mortality rates are high and access to medical care is extremely limited.



Pupils from Dayncourt School, UK, take part in International Inspiration.  
© Darren Creswell



# 5,000 children have benefited from sports festivals



Pupils in Brazil take part in International Inspiration.

© Bernardo Soares

The aim of International Inspiration in Brazil is to engage children and young people by building partnerships with the Ministry of Education and Ministry of Sport to develop a structured, integrated approach to the teaching of physical education (PE) and sport. We work directly with teachers to enhance their skills in delivering high-quality, inclusive PE to young people. We also train young people to become 'young leaders', who then go on to organise sport festivals and other events in their local community, increasing the benefits of PE and sport to children, many of whom have had no access to any significant sport activity in their lives.

The results have been fantastic. Over 250 young leaders have been trained, and more than 5,000 children have benefited from sports festivals organised by the leaders. Twelve school links have been established with schools in the UK, already leading to transformational ways in which PE and sport are used to tackle issues in the schools and their wider communities. And working with the Ministries of Education and Sport has started a concerted drive towards developing high-quality and valuable approaches to the way PE and sport are taught to young people in Brazil.

**International Inspiration is an Olympic first, using the power of the London 2012 Games to create an international legacy for young people on a scale that has not been seen before in the history of the Olympic Games.**

Working alongside our delivery partners – UK Sport and UNICEF – we are demonstrating how that legacy is already becoming a reality.



© British Council

# Skills for Employability

More than 15,000 young people were engaged with the programme

## Central and South Asia Case study

Skills for Employability is a programme that promotes cultural relations. Its central purpose is to develop international partnerships for the exchange of knowledge and ideas. It addresses the demand for skills in a global economy so that national educational and training systems are better able to respond to labour market demands and learner needs.

The British Council works in four main areas to deliver the programme: policy dialogue on skills in a global economy; international partnerships between technical institutions; enterprise awards; and English and skills for employment.

Skills for Employability in Central and South Asia has created three Memoranda of Understanding, which formalise collaboration between the British Council and relevant agencies and ministries in the region. These ensure long-term co-operation between the UK and Pakistan, Uzbekistan and Nepal.

Thirteen partnerships have been established between UK further education colleges and technical colleges in the region and pilot initiatives have begun on new curricula, teacher exchange and development and student-to-student interaction.

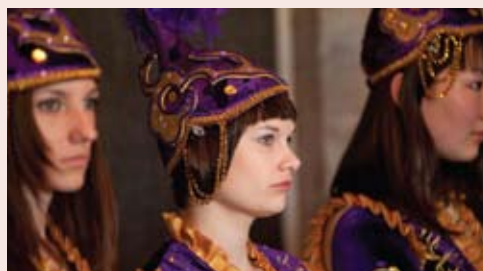
We also held ten high-impact policy dialogue events in five countries. Involving more than 500 policy- and decision-makers, the seminars, workshops and conferences covered employer engagement strategies, the development of occupational standards, work-based learning and quality assurance.

More than 15,000 young people were engaged in six national enterprise competitions that we commissioned – developing their skills in problem-solving and teamworking and linking enterprise to community action.



Team participants attend a Skills for Employability event in London.  
© Navig8/Simon Harvey

# Our work is helping to form strong relationships for the UK



© Navig8/Simon Harvey

See regional performance, page 77

Creative and knowledge economy

## Skills for Employability builds partnerships between the UK and Pakistan, Bangladesh, Kazakhstan, Uzbekistan, Afghanistan and Nepal.

The programme provides opportunities for collaboration between policy-makers, teachers, trainers and young people on skills development and social enterprise. It tackles the challenges of working in a globalised economy, the importance of skills in the financial downturn, and the demand for specialised skills in an increasingly competitive labour market.

The Central and South Asia region is characterised by cultural, ethnic, religious and linguistic diversity and a wide geographical spread. The Central Asian countries have developing economies and retain, for the most part, close links with Russia, particularly Kazakhstan. Enhancing the prospects of employment for the huge demographic is a concern for the government of the region – from economic, social and security perspectives. Nepal, Bangladesh and Afghanistan are among the poorest countries in the world and large sections of their populations are under 25 years of age.

Employer groups in all the countries are currently developing occupational standards that reflect the needs of industry and will be used as the basis for qualifications that can be internationally benchmarked. This is an example of UK best practice in skills and one that is being adopted as part of national vocational education and training reform agendas in the region.

In Pakistan, Skills for Employability works closely with the National Vocational and Technical Education Commission (NAVTEC), helping them develop industry-relevant curricula and work-based training with industry partners, including Jaguar Land Rover.

Four institutional partnerships – in engineering, fashion and textiles, tourism and hospitality – are developing technical vocational education and training courses with their UK partners, which will benefit thousands of students.

Five young students from the Vocational Training Institute in Jhang, a small city in Pakistan, competed against five other national winning teams of 24 young people from Afghanistan, Bangladesh, Kazakhstan, Uzbekistan and Nepal in a regional final of the Enterprise Award heat in London. The students from Jhang impressed the panel of judges with their simple but well-defined plan for solid waste management in their city and won the prize money of £2,500 to implement their project.

**‘I never thought of winning such a big event when we were leaving for London to attend the Enterprise Award competition.’**

**Farida Siddiq**, Pakistan team participant

Our activities in Skills for Employability are helping to establish a local and regional profile in vocational education and training. British Council work is helping to form strong relationships for the UK, which will also position the UK for technical support programmes in this area, funded by the World Bank, the Department for International Development, the EU and others.

# Beautiful Science

20,000 people engaged with this initiative

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## South-East Europe Case study

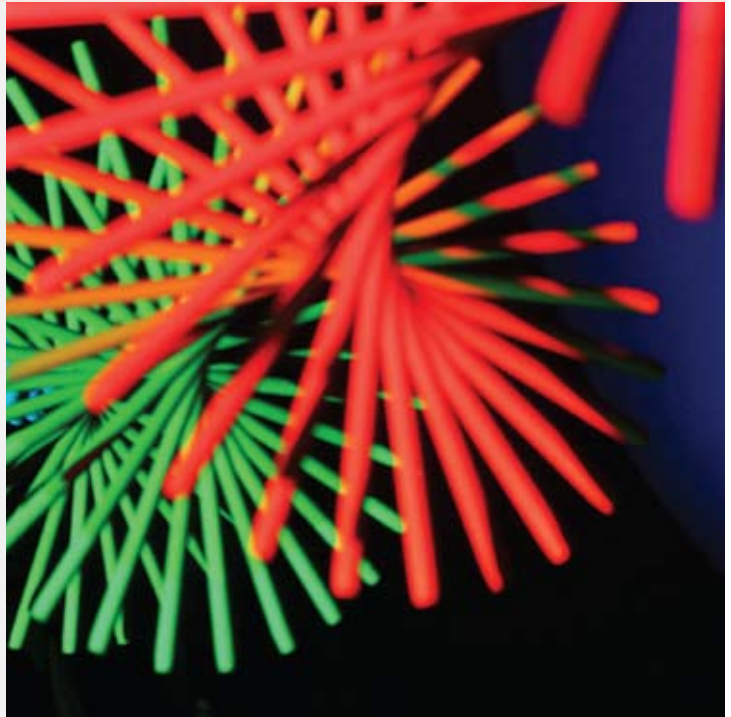
Countries in South-East Europe regard science as a fundamental building block to economic success.

In order to ensure future competitiveness there is a need in all these countries to attract young people to a career in science.

The British Council has responded to this need with its Beautiful Science programme, which has revolutionised the way in which young scientists communicate with each other and the public to make science accessible and interactive. This in turn inspires young people to consider a career in science and promotes science as part of popular culture and establishes, in the minds of south-east Europeans, the strength of the science and creativity sector in the UK.

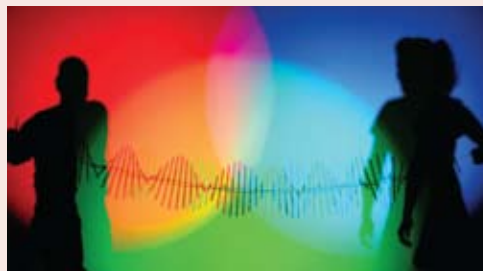
The programme, now in its third year, takes place in Austria, Azerbaijan, Bulgaria, Croatia, Greece, Israel, Romania, Serbia, Turkey and the UK. It has three main strands: first, FameLab is a competition for scientists initially set up by the Cheltenham Science Festival and given an international dimension by the British Council. FameLab has attracted over 600 international scientists and live audiences of up to 5,000. Over 100 television programmes have been dedicated to the FameLab competitions. Kathy Sykes, co-director of the Cheltenham Science Festival, said: 'You have changed the stereotype of Eastern Europeans.'

Second, *Visualise – the beauty of science*, is a stunning theatrical show produced by the Cardiff-based company Science Made Simple. The show, which combines live experiments with video footage, has been very popular with audiences during its 37 performances in nine countries across Europe. Eighty-four per cent of audiences at the shows said their expectations had been exceeded.



Beautiful Science in action.  
© Kiran Ridley





© Kiran Ridley

Third, there have been nine interactive debates across Europe with local and British scientists.

In an impact evaluation, with 67 scientists at the start of their careers, more than 84 per cent said that because of the project they had gained awareness of international activities. Eighty-one per cent said they had increased their skills and 66 per cent said that they had made new international relationships and become active participants in new international networks.

In October 2008, in Istanbul, the British Council brought together 150 scientists from across South-East Europe and the UK to develop their skills further and initiate cross-border science communication projects. The event culminated in the Istanbul Declaration – a call to the science community in the region and the UK to support science communication and the existing network. Lord Winston, who launched the declaration, commented:

**‘This kind of engagement is really important and will continue to need support for some time. This is a flagship activity in the field of public engagement of science – particularly as, unquestionably, the UK is leading the field by a long way.’**

The British Council is planning to expand the Beautiful Science network throughout the world.



© Kiran Ridley

# Project English

Project English  
is supporting  
750,000 English  
language teachers

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## India and Sri Lanka

### Case study

Vijayawada is not the sort of place you could pinpoint that easily on a map, but the British Council is there and we're making a big difference to the lives of rural and semi-rural college students, and their lecturers, as part of our regional Project English initiative. In July last year, the Lanco Institute of General Humanitarian Trust (LIGHT), in consultation with colleges in Vijayawada and surrounding rural areas, selected 20 motivated college lecturers of English to become the first batch of master trainers to undergo initial training and mentoring by the British Council to enable them to deliver a training programme – English for Employability.

It is estimated that only 25 per cent of technical graduates and ten to 15 per cent of general college graduates in India are suitable for immediate employment. The situation in Sri Lanka is similar.

Project English, an ambitious initiative, was launched in November 2007, and it addresses these challenges by lending a helping hand to educational reform, and the provision of high-quality English language teaching and training, from primary learners to advanced corporate users.

The project is unique in that it aims to harness local expertise, thus building sustainability by creating a group of professional master trainers who will then deliver training to large numbers of teachers.

It is a low-cost model that uses UK expertise but then further trains and makes use of local capabilities, thereby facilitating educational reform.



Primary school pupils in Baradabar Jeleypara Primary School, near Kolkata, using the *Primary One Pupils' Book* developed with British Council input.

© Debanjan Chakrabarti



© Debanjan Chakrabarti

## We have delivered training to 434,240 teachers

The British Council has been working in partnership with the West Bengal state government for the last three years to reform the state primary level English provision by developing a new curriculum and materials for pupils and teachers. Over 100 resource people and 300 master trainers were trained intensively to support the development of the curriculum and train teachers by dissemination to use these materials. In April 2008, the new *Primary One Pupils' Book*, *Teachers' Book* and *Teachers' Companion* were distributed to over 200,000 teachers and more than three million students.

Ray Mackay, the UK ELT consultant who is leading the West Bengal project, says:

**'This is the most rewarding project I have been involved in. There has been very little change in classroom practice but there has been a great change in learning outcomes through the curriculum reform.'**

The West Bengal state government invited the British Council to start work immediately on rewriting their primary textbooks, which will then be distributed to over 11 million primary pupils in West Bengal.

Similar projects are being delivered in seven states in India and Sri Lanka. Over the past 18 months, we have delivered training to 434,240 teachers and 1,300 master trainers – having an impact, via curriculum reform, e-learning and improved English teaching standards, on 4.49 million learners.

We aim to train at least 3,000 master trainers throughout 28 Indian and Sri Lankan states, using dissemination methodology to reach over a million English language teachers and 200 million language learners.

Thanks to Project English there is increasing recognition that the UK is a world authority on English language teaching as we raise standards across India and Sri Lanka and strengthen the relationship between the UK and the region.

By 2030 India will be one of the largest economies in the world and have the world's largest population under 35 years old. It is crucial that we strengthen our relationship with India by means of our work in the English language, and our support for education reforms.

# Libyan English Teaching in Universities Project

Discovering new ways of working

## Near East and North Africa Case study

The Libyan English Teaching in Universities Project (LETUP) was introduced in 2006 by the General People's Committee for Higher Education (GPCHE) and run in partnership with British Council Libya. The project supports one of our main objectives: to offer high-quality advice and collaboration in the development of English language educational policy.

LETUP is active in nine universities in Libya, where English language skills are relatively low, and there is a shortage of Libyan English language teachers with internationally recognised teaching qualifications.

The project has been through multiple phases, the first being to establish language centres within the universities. Our task was to liaise with the universities in the selection and design of premises, and to recommend and supply teaching resources, including interactive whiteboards, ELT software, and contemporary teaching materials. We introduced academic management systems to assist with the administration of the language centre, developed syllabuses and course outlines, and pre- and post-course tests, and provided materials for the delivery of the English courses.

While our initial remit was to help prepare scholarship students to acquire sufficient language skills to take part in full-time Master's programmes in the UK and elsewhere, we have become much more ambitious. We now aim to ensure all postgraduate students, many of whom might not have received English lessons before, receive high-quality English teaching in well-resourced premises, delivered by highly qualified Libyan teachers of English who have themselves been trained by Libyan teacher trainers.



Libyan teachers prepare for English lessons.  
© British Council



# LETUP demonstrates our place as a world leader in English language teaching



© British Council

To achieve this, our 24-strong British Council teacher trainer and teaching team works alongside 70 Libyan teaching assistants – themselves postgraduate students with little or no previous teaching experience – to develop their teaching skills and knowledge. To date the LETUP teams have delivered over 30,000 teaching hours to over 3,000 postgraduate students.

The British Council team supports the teaching assistants through a comprehensive teacher training programme. The teaching assistants have already received over 4,000 hours of training sessions.

Most have now passed the teacher knowledge test and have begun preparing for the internationally recognised In-Service Certificate of English Language Teaching (ICELT) qualification. And, later this year, 50 teaching assistants will start a pre-sessional Master's course with one of two UK universities. They will be among the first to undertake a UK Master's programme by distance learning and the British Council team – who have experience of direct teaching of academic English and of being graduates (or postgraduates) of a UK university education – has been on hand to support the teaching assistants' preparation.

The British Council, with its wealth of knowledge and expertise in setting up and running high-quality English language programmes, has been working side-by-side with the GPCHE and the universities to share skills and expertise to facilitate these independent teacher training programmes and language centres. Next year, all postgraduate students must receive English language teaching as part of their Master's programmes and the LETUP language centres are there to ensure that this happens.



© British Council

# Libyan English Teaching in Universities Project

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This collaboration between the GPCHE and the British Council strengthens considerably the commercial and educational links between the UK and Libya.

In less than three years, this intercultural partnership has evolved from its initial aim to set up language centres for hundreds of scholarship students to meeting the needs of thousands of postgraduate students. This rapid pace of change in Libya has required LETUP to be flexible and responsive, to discover new ways of working and to further develop the positive relationships between Libya and the UK. For the British Council, LETUP demonstrates our place as a world-class leader in the provision of English language teaching and training. And for Libya:

**‘LETUP is the mark and the cornerstone of the Ministry and university achievements. It is the single most impressive achievement we’ve had for years.’**

**Dr Abdul Kabir El Fakhri**, Minister of Education and Scientific Research, Libya



© British Council



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With unrivalled expertise in bringing people, communities and institutions together, the British Council is well placed to play a valuable role in tackling climate change.



# Climate change

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# Climate change

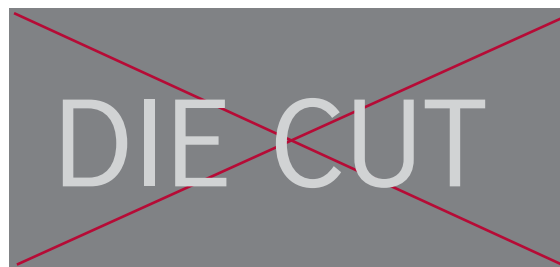
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The British Council believes that good cultural relations are essential to the success of dealing with the long-term impacts of climate change.





## Enabling young people to express their views



With unrivalled expertise in bringing people, communities and institutions together, the British Council is well placed to play a valuable role in tackling climate change.

We are committed to building strong networks to increase understanding of the case for tackling climate change by engaging with young people, and enabling them to reach out to their local community – and communities across the globe.

### Why

The evidence is clear that climate change is happening and that it is caused by human activity. The extent of the likely impacts of climate change and the action that is needed are the subjects of intense global debate. It is clear that co-ordinated international policies and individual and community actions will be necessary to slow the progress of climate change.

A changing climate will undoubtedly bring new challenges and increase the potential for tension, particularly where natural resources are stretched more thinly. Adjustments to our lifestyles will be required and consideration given to the way we value our world. Strong international, intercultural and intergenerational relationships among people worldwide are necessary to bring about this cultural change – relationships that are founded on trust and understanding.

We aim to increase support for the achievement and implementation of international agreements that address the threats of climate change by enhancing knowledge, providing skills and increasing access to important networks of influencers.



DIE CUT

## How

We work with young people aged between 11 and 35 who share a passionate interest in climate change and want to make a difference.

We provide training in areas such as project management and communication to help build a network of champions. By offering inspirational visits to organisations already working in this field we develop their knowledge of climate change and their project ideas.

We work with partners who bring a variety of expertise from government, business, non-governmental and media organisations. For example, in Brazil, we work with TV Bandeirantes, in Mexico we work with the Ministry of Education and the Ministry of Environment and Natural Resources, and in the UK we are working with the non-governmental organisation Groundwork to provide practical support to our climate champions.

From India to Canada and Indonesia, young people involved with the British Council have already developed successful local projects as diverse as campaigns to ban plastic bags in Brazil to car-sharing schemes in India. We help them to highlight their experiences and raise their concerns at national and international meetings.

Speaking at the Scottish Parliament for the reading of Scotland's first Climate Change Bill, Ibnu Najib, a young advocate for climate change, said: 'Our story calls for actions which are just, and that protect the silent voices of future generations. How old will you be in 2050? We all may not be here, but our grandchildren will.'

## Where

The British Council is already working in 28 countries to support young people working on climate change issues.

Through our projects Climate Cool, Low Carbon Futures and International Climate Champions, we have worked with countries with emerging economies such as China, India and Brazil, and developing countries such as Indonesia. For example in China, our work has enabled young journalists to increase their skills in reporting climate change issues, by a series of workshops led by some of the UK's leading environmental journalists.

In 2008 young people from Canada, the UK, Mexico, Brazil, Ireland, Germany and India participated in the Cape Farewell Youth Expedition 2008. The students – together with scientists, artists and educators – travelled from Reykjavik, Iceland, to Arctic Canada aboard a Russian research vessel. Their aim was to observe and interpret the effects of climate change – and to inspire a generation of children to seek social and technological solutions to this global problem.



# Increasing awareness and action on climate change



In Europe we work in 15 countries including the Czech Republic, Latvia, Slovenia and the UK. Young professionals from these countries, who are committed to action on climate change, are working collaboratively to develop innovative ideas to reduce carbon use and tackle climate change by means of revisions to public policy, business practice and public behaviour.

Over the next year our International Climate Champions' work will expand to 60 countries – in Asia, sub-Saharan Africa, the Middle East, Europe and North America.

## Plans

There has been tremendous interest from young people and local, national and international leaders and decision-makers in the work we have carried out already. Young people are passionate about climate change and the impact it will have on their own and subsequent generations.

Enabling young people to express their views and engage in dialogue with decision-makers is crucial. International Climate Champions from Brazil, India and Canada presented their personal experiences of the impact of climate change to the Global Humanitarian Forum in Geneva, hosted by Kofi Annan; UK champion Stephanie Lynch spoke at the Commonwealth Foundation, in the presence of HRH The Prince of Wales; and a young Canadian champion gave the youth speech to delegates from 192 countries at the United Nations Climate Change conference in 2008, in Poznań, Poland.

Our future focus will be on developing the work we have begun to empower young people to take a lead in the effort to slow climate change. In particular, we will draw on the British Council's expertise in science, education and the arts to develop innovative ways of increasing awareness and action on climate change. We will work more closely with partners in supporting International Climate Champions and developing their projects.

# Challenge Europe

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## Russia and North Europe Case study

In April 2008, 229 exceptional young people from 15 European countries were recruited to be Climate Advocates for our Challenge Europe project.

Their goal was to develop new ideas that will reduce carbon emissions and help us move to a low carbon future.

So what have they done? In the Czech Republic the impact of the manufacture of clothes and consumer buying habits on the environment were highlighted by eco-clothing fashion shows. In Hungary a zero emissions climate information centre has been established at Szent István University, near Budapest.

In Ireland and Northern Ireland advocates are encouraging more people to grow their own food by developing an all-island network of community food initiatives. And Finnish advocates have created a green website called Make a Plan!, where people can make commitments to cut their personal carbon emissions.

Education, transport, housing, food and agriculture, energy, business practice and personal action are among the areas that the advocates are focusing on. This diversity is a reflection of the range of the advocates' backgrounds: we have recruited a film-maker from Finland, a lawyer from the UK, a musician from the Czech Republic, a farmer from Ireland, a journalist from Norway, a young politician from Slovenia, an IT expert from Poland, and an ecology student from Ukraine.

British Council project managers have worked with the recruits to develop their knowledge and skills with a range of events and activities, which have included meetings with UK experts, introductions to potential partners, study visits and online collaboration. We took advantage of



Ireland's Minister for the Environment, John Gormley, and the British Ambassador to Ireland, David Reddaway, endorse the Challenge Europe eco tour.



Participants in Challenge Europe's eco-clothing fashion show in the Czech Republic. © Pavel Sorel

international events, such as the Conference of Parties (COP)14, in Poznań, to bring advocates together to participate, network and build their confidence and skills. Throughout the project there has been extensive use of virtual networking tools to minimise the project's carbon footprint.

There were many lessons learned. Input from experts persuaded the advocates to challenge their preconceptions, and they often needed to reprioritise and refocus their objectives. Working to attract partners sharpened their entrepreneurial skills. Once the ideas were developed, the British Council helped identify partners to bring the projects to life. The project has enabled us to establish relationships with 90 organisations, many of whom are new partners for us.

'Challenge Europe brings together some of the most talented young people on the island and gives them the support, resources and, most of all, the opportunity to work together to find positive responses to the climate crisis,' said Davie Philip from the Cultivate Sustainable Living Centre in Northern Ireland.

Vida Ogorelec Wagner, Director of Umanotera, the Slovenian Foundation for Sustainable Development, added:

'We decided to take part for three main reasons: the innovative approach, the synergy of many institutions and partners across Europe, and the chance to build a strong network of future influencers in Slovenia and across borders.'

Challenge Europe aims to encourage cultural, scientific, technological and other educational co-operation between the United Kingdom and other participating countries. Recruitment of the 2009 Climate Advocates began in April and there are plans to expand the project to more countries in Europe. Some of the existing advocates will be acting as mentors to the new recruits to share their hard-won lessons.



Participants from Ireland and Northern Ireland take part in the Challenge Europe eco tour. © Richard Bosworth



# Climate Cool

We have built a network of 500 active members from 11 countries

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## East Asia Case study

This year we reached Poznań – more or less the halfway point on the climate change journey that began in Bali, where the Conference of Parties (COP) 13 was held, and will progress to the COP 15, which will take place in Copenhagen. Climate Cool has taken these milestones in the climate change debate and used them as ‘mythical stopping-off points’ on a journey to find solutions. Our journey has taken us from Japan and Bali to many other countries in East Asia. We have built a network of around 500 active members from 11 countries and we have been running workshops in leadership, project management and sustainable development to help our young climate advocates and emerging leaders to develop projects in their local communities.

Climate Cool brokers links between project designers and potential funders for initiatives, helping our champions overcome one of the major hurdles to implement their ideas – funding. Japan and Indonesia have secured external funds of around £25,000 from multinational corporations to set up projects. Other amounts are being awarded on a competitive basis by panels of experts, so testing the advocates’ presentation and project design skills, which are being developed in our workshops.

Our scorecard results show that 100 per cent of participants in our workshops ‘agreed’ or ‘strongly agreed’ that the workshops had improved their facilitation and leadership skills and that the courses had improved their capacity to implement climate solution projects.

Ibnu Najib, from Indonesia, is one of the first group of emerging leaders to be identified. He is 26 years old and a planner at the Ministry of State-owned Enterprises in Indonesia. He represents the new generation of leaders in Asia whose relationships with the UK will shape the region’s future. He wrote:

‘My participation in the Climate Cool programme set up by the British Council, and our subsequent participation in the United Nations Framework Convention on Climate Change (UNFCCC) in Bali and Poznań has widened my perspective on climate change and has also linked me with numerous networks. I understand now that the only way to effectively mitigate the risks of climate change is to act together now.’



The future is in  
the hands of our  
emerging leaders



Climate leaders at the Tokyo Training Group.

© Candy Tolosa



Participants at the Tokyo Training Group.

© Candy Tolosa

As a result of his participation in Climate Cool, Ibnu Najib was awarded a Chevening Scholarship. He is currently studying carbon management at the University of Edinburgh and helping us to link up with networks in the UK. Najib recently represented us at the UNFCCC conference in Bonn. He wrote in his blog: 'Among many activities that we had today was an intervention at the major closing plenary. I, as a British Council delegate representing youth, had the honour to deliver the youth speech, which I did wearing a "How old will you be in 2050" campaign T-shirt – a tagline that I also used in the Scottish Parliament.'

In 2009 the Climate Cool network will be expanded, ties with UK and European networks will be strengthened, more projects will be initiated and the voice of young people in Asia will get louder. The future is in the hands of our emerging leaders who have embarked on this uncertain journey, and the British Council and its partners will do everything we can to point them in the right direction.

Climate Cool is a project that has put the British Council at the forefront of the climate change debate in East Asia and established us as a major player in issues of public diplomacy and cultural exchange.

## Geographical priorities

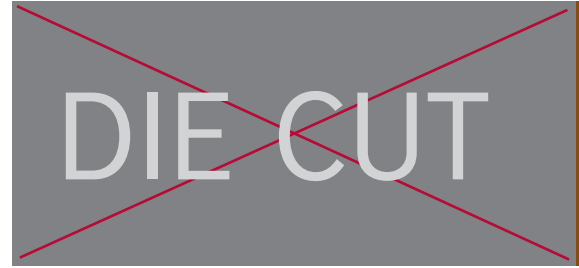
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The world has changed dramatically over the last 12 months with the onset of a global recession, increasing awareness of the fast pace of climate change and escalating political and social tensions in and between countries.





## We have shifted resources into the Middle and Near East and North Africa



In 2008–09, amid emerging global challenges, the British Council refocused its work to concentrate on areas where its cultural relations agenda could really make a difference.

### Emerging economies

India and China, with their large populations, range of skills and high growth potential, are the countries expected to lead the world's economy in the future. In India our work has focused on developing education opportunities through the UK–India Education and Research Initiative (UKIERI) and English language skills with our global English products.

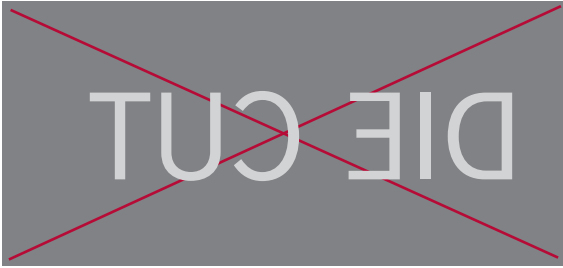
In China, with the rapidly growing middle class, we have developed projects in English, education and creative lifestyles. An exciting example of cultural engagement has been our Connecting Cultures initiative, which will be extended to India in 2009–10.

Brazil is recognised as having a strong voice in the climate change debate; we are working with the rising generation both to enhance their skills and to create more awareness of the need for this debate.

### Countries with which the UK needs to build trust

We have shifted resources in 2008–09 into the Middle East and Near East and North Africa regions to expand our grant programmes, with a particular emphasis on having an impact on young people; both of these regions have a very high population aged under 30. Countries face particular challenges in providing relevant education and training. In Pakistan, Bangladesh and Afghanistan we have concentrated on building capacity in technical and vocational education, new university partnerships, and the teaching and learning of English.

In the Middle East and Near East and North Africa, our focus has been on English for employability – both building skills through our direct teaching operations and by grant-funded programmes. In Egypt, the need for English language skills and the benefits of intercultural dialogue are met by our joint project with the Foreign and Commonwealth Office to provide English skills for staff and students at Al-Azhar University, one of the world's major Islamic universities. Many partners are also willing to invest their own resources in tackling education and English teaching reform agendas – Iraq and Libya have a strong interest in the UK experience.



We reached  
13.3 million people  
in Nigeria

### Isolated countries

We continued to give high priority to those countries that are considered isolated from the mainstream international community – Burma and Zimbabwe. Our staff continued to deliver services despite the restrictions under which they operate. Unfortunately we had to suspend our operations in Iran in February 2009.

### Building on existing ties

The UK has strong links to many parts of the developing world, particularly Africa. We have continued to support social and educational development in that continent. In Nigeria, our work to support public diplomacy had an audience reach of 13.3 million.

We have also built on our traditional ties with the USA and with Europe. Our new project – Transatlantic Network (TN2020) – has engaged 177,000 young people on both sides of the Atlantic and generated discussion about the common issues facing North America and Europe.

In our Open Cities project, we have worked closely with city partners across western Europe, raising support from the European Union to increase the scale and impact of the project, which deals with diversity in an urban environment.





# Iraq Education Initiative

## Middle East Case study

Following three decades of either war, sanctions, occupation or insurgency, the education sector in Iraq was left in a parlous state, unable to adequately serve the country's needs.

Since reopening the British Council operation in 2003 we have been working closely with the Ministries of Education and a group of committed educationists to assist in rebuilding this crucial sector. Working under Memoranda of Understanding signed with both the Ministry of Education and the Ministry of Higher Education and Scientific Research, Iraq has been able to participate in a range of regional and global programmes: Connecting Classrooms, Skills for Employability, and Excellence in Higher Education. While Iraq's participation in these projects has been far from straightforward – given the exceptional challenges and very real risks to staff and partners when delivering operational activity in a war zone – the rewards have been immense.

A UK higher education mission to Iraq presented the British Council with a tantalising opportunity to make a significant contribution to the development of the new Iraq and the renewal of educational ties between our countries.



Ali Hussein from the Ministry of Education, Iraq, visits St Patrick's Academy, Northern Ireland.

© Pacemaker Press

In May 2008, Iraq's Prime Minister, Nouri Al-Maliki, sought parliamentary support for a \$1 billion new project – the Iraq Education Initiative – to help rebuild Iraq's damaged educational infrastructure and depleted human resource capacity.

The Prime Minister's newly formed education committee extended an invitation for us to organise the education mission and an Education UK Fair to mark the official launch of Prime Minister Al-Maliki's initiative. After careful consideration and a thorough assessment of the risks and practicalities, we agreed to grasp the opportunity. Under no illusions about the challenges involved, the Baghdad team launched themselves into delivering this extraordinary undertaking.

### Our objectives were very clear:

- to strengthen mutually beneficial educational ties between our two countries
- to position the UK as a valued partner in this initiative
- to present the UK as the destination of choice for a significant share of the proposed 50,000 scholars destined for overseas study.

Representatives from the British Universities Iraq Consortium, Universities UK and further education colleges gave presentations on the education that the UK offers to international students. They also engaged, under the ever-watchful eye of our close protection team, with more than 300 prospective students and parents at the Education Fair. This sent a very powerful signal that the UK's focus in Iraq is changing – from military matters to education and cultural relations. The event attracted significant media coverage – the launch and opening speeches by Prime Minister Al-Maliki and UK Minister for Further Education Siôn Simon, were broadcast live on television and radio.

# Iraq Education Initiative

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50,000 scholars  
in the region  
are destined for  
overseas study

Siôn Simon delivered the following message from Prime Minister Gordon Brown:

‘It was clear when I met Prime Minister Al-Maliki only last month that he and I share a common view of the importance of high-quality education to building a strong and stable Iraq. We both look forward to education being a major element of the UK’s future relationship with Iraq.’

In addition, Dr John Law, the British Council’s Senior Education Adviser, undertook a consultancy for the Prime Minister’s Education Committee on the administration of large-scale overseas scholarship programmes.

In any other country, the organisation of an education fair would constitute normal, routine business. However, the very specific challenges of putting on such an event in Iraq cannot be overestimated. The overall impact, the difference made and the extraordinary team effort employed in pulling this off wasn’t lost on our visiting UK stakeholders:

‘This was a major challenge for the British Council, and we are proud to have played our part. The event showcased how the UK can make a positive contribution to the development of the new Iraq, and on more than one occasion we were told by the Americans and Iraqis present at the event how well UK education had come across.’

**Dr John Withrington**, Chair, British Universities Iraq Consortium

The event ushered in a new era in educational collaboration between the UK and Iraq.



University of Baghdad College of Media. © Laith Hilal

# Turner in Russia

## Russia and North Europe Case study

The British Council has initiated a major exhibition dedicated to an eminent artists, whose works very rarely leave the walls of Tate Britain: J. M. W. Turner.

The exhibition, with over a hundred works by Turner, attracted 200,000 visitors, and introduced late and experimental works by the artist that were not shown during his lifetime. The exhibition was opened with the support of the Art and Sport Foundation at the Pushkin State Museum of Fine Arts, Moscow, on 17 November 2008 and closed on 15 February 2009. The opening was attended by Minister of Culture Alexander Avdeev and the First Lady Svetlana Medvedeva.

The exhibition became part of the December Evenings Festival, where the music of British and European composers who were Turner's contemporaries was performed.

As part of the exhibition the British Council, together with the Pushkin State Museum of Fine Arts, organised a special education programme involving 2,500 participants and five professionals. Overall the special events and educational programme, which included curators' talks, evening lectures, a theatre evening and essay competition, attracted over 10,000 visitors.

One of the most popular intellectual magazines in Russia – *Foreign Literature* – dedicated its January 2009 issue to Turner, with an essay about the painter by John Ruskin, an essay about a recent Turner exhibition in the USA by John Updike, and a drama poem by contemporary British poet Sasha Dugdale – 'Resemblance'.

The British Council initiated this major cultural project using our unique knowledge and expertise in multicultural relations and cultural administration.



See regional performance,  
page 81

Geographical  
priorities



Visitor to the J. M. W. Turner: Oils and Watercolours exhibition.



# Turner in Russia

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The exhibition attracted  
200,000 visitors

Stephen Deuchar, Director of Tate Britain, said: 'The exhibition wouldn't and couldn't have happened without the British Council. They facilitated our conversations with the Pushkin and with the sponsor throughout the process, and they did so with exceptional efficiency and subtlety despite the sometimes awkward political backdrop...'

'It was an extraordinary and unprecedented partnership between the British Council, the Tate, the Pushkin, and the Art and Sport Foundation.'

The Turner in Russia project has successfully helped build engagement and trust for the UK through the exchange of knowledge and ideas between people of Russia and the UK and enhanced the UK's reputation as a source of expertise and a partner for skills development.

In a difficult political context the project promoted the British Council's role as a leading international institution.



# West Europe and North America

## Regional performance



See case study, page 32

INDIE young leaders develop the European Youth Charter. © Lars Deneyer

### Our strategy is to empower young people to act as advocates for change.

British High Commissioner in Canada Anthony Cary CMG, said of the Cape Farewell project: 'The British Council's work with Canadian students on climate change has been perhaps the single most exciting and successful public diplomacy project in my time as High Commissioner in Canada – and the one with the greatest potential for the future.' In Canada, our work fitted well with the Foreign Office's objective – the orderly transition of the world from a high carbon to a low carbon economy. But our approach focused not on the political issues but on the young people who are going to be at the forefront of change. We spent two years working with people from across the world, enabling them to participate in debate and communicate their ideas. Last year their travels to the Arctic-inspired film, photography, poetry and educational materials, but most importantly, it transformed their lives – an astonishing 83 per cent of them said that they have changed their career intentions as a consequence of their experience.

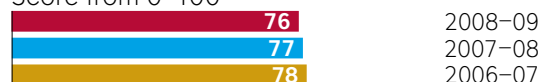
### Audience engagement\*

Measured in millions



### Customer satisfaction

Score from 0-100



Grant for the region has increased slightly to ensure we could deliver our programmes, given the strengthening of the euro against sterling. Growth in overall income is owing to the success of our teaching operation where there was a £12 million increase in income, and in examinations work, where there was a £3.4 million increase in income across the region.

\*The reduction in audience engagement is the result of the strategic shift of focus to the priority regions of the Middle East and Central Asia.

83 per cent of participants said they have changed their career intentions

Expenditure by country	FCO grant	Other income	Total
Malta	0.1	0.0	0.1
Ireland	0.3	0.0	0.3
Switzerland	0.5	0.3	0.8
United States	1.3	0.3	1.6
Canada	0.8	1.0	1.7
Germany	1.8	1.1	2.9
Belgium and Netherlands	1.3	1.7	3.1
France	1.6	4.3	5.9
Portugal	0.6	7.5	8.1
Italy	0.9	10.5	11.4
Spain	1.8	45.6	47.4
Regional budget	2.6	0.0	2.6
<b>Total 2008-09</b>	<b>13.6</b>	<b>72.3</b>	<b>85.9</b>
2007-08	13.2	57.1	70.3
2006-07	13.9	50.0	63.8

Figures in millions

# Sub-Saharan Africa

See case study, page 34



Global Xchange participant in Malawi.

© Arjen van der Merwe

## Regional performance

**We build on the aspirations of young people by offering cultural and educational opportunities.**

Ghana's Nana Kwadwo Duah was the winner of the British Council's first International Young Communications Entrepreneur award in March 2009. It was well-deserved recognition of Nana's business acumen, and also of the Creative Enterprise programme, which offers business training and networking opportunities for entrepreneurs across the region. The aim is to put them in touch with their UK counterparts, creating a dynamic network and stimulating further creativity. Our widest engagement has been with young people often through intermediaries such as teachers. Connecting Classrooms allowed us to connect nearly 490,000 schoolchildren in the UK and across Africa. We've also reached 70 million people with our innovative *Teacher Development by Radio* programme.

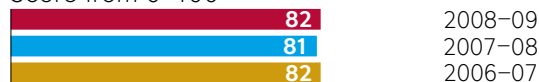
### Audience engagement\*

Measured in millions



### Customer satisfaction

Score from 0-100



Grant across the region has increased by £1.1 million and income by £1 million, owing to a rise in development contracts across all countries. A further £0.7 million was generated from our examinations work. Grant for Southern Africa has also increased – by £1.3 million – and income has risen as a result of development and examinations work, the latter generating £1 million.

\*The reduction in audience engagement is the result of the strategic shift of focus from larger aspirant audiences to smaller groups of influencers.

Expenditure by country	FCO grant	Other income	Total
Senegal	0.4	0.3	0.7
Mauritius	0.4	0.6	1.0
Mozambique	0.4	0.6	1.0
Botswana	0.4	0.7	1.1
Ethiopia	0.7	0.4	1.1
Cameroon	0.3	0.9	1.2
Eritrea	0.1	1.3	1.4
Malawi	0.4	1.1	1.5
Zimbabwe	1.0	0.5	1.5
Sudan	0.6	1.1	1.7
Tanzania	0.6	1.1	1.7
Uganda	0.8	1.0	1.8
Zambia	0.5	1.3	1.8
Ghana	1.0	1.3	2.4
Kenya	1.2	1.2	2.4
Nigeria	2.6	12.4	14.9
Sierra Leone	0.4	3.9	4.2
South Africa (incl. Namibia)	1.9	2.8	4.6
Regional budget	6.8	0.2	7.0
<b>Total 2008-09</b>	<b>20.3</b>	<b>32.6</b>	<b>52.9</b>
2007-08	17.9	27.3	45.1
2006-07	17.8	25.6	43.4

Figures in millions

# China

## Regional performance

We have focused on addressing challenges such as urban growth, education and the environment.

We organised a 48-hour inclusive design challenge, bringing together 52 designers and people with disabilities.

The challenge was to see life from the perspective of someone living with a disability and to design a product in response – within 48 hours. The wider aim was to raise awareness and demonstrate the practical business advantage that innovative design can bring. The winning design concept was the ‘chopstick mouse’ – easier to manipulate than the familiar computer mouse – and soon to be available on the market. Around 2.5 million people in China read about the challenge in newspapers and on websites.

The number of people that we engage with is down from last year, partly because we have become more stringent in the way that we measure numbers and partly because we are focusing on the quality of our engagement with contacts. As a consequence, our customer satisfaction ratings have improved generally.



China school links at Wei Yu High School.

© Dai Wei

See case study, page 36

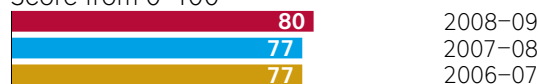
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0-100



Grant to this region has increased by £2.6 million to reflect China's importance as an emerging economy. There has been significant growth in our examinations business, which has resulted in an increase in overall income of £12.3 million. A further £1 million has been generated from teaching work in Hong Kong.

2.5 million people read about the challenge in newspapers and on websites

Expenditure by country	FCO grant	Other income	Total
China	5.3	36.1	41.4
Hong Kong	1.9	12.2	14.1
Regional budget	1.2	1.2	2.4
<b>Total 2008-09</b>	<b>8.5</b>	<b>49.5</b>	<b>57.9</b>
2007-08	5.9	34.9	40.8
2006-07	5.9	27.2	33.2

Figures in millions



# Latin America and the Caribbean

See case study, page 44



Pupils in Brazil take part in International Inspiration.

© Bernardo Soares

## Regional performance

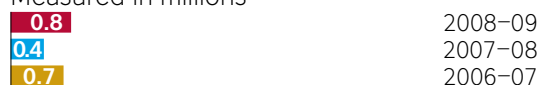
Our work in English and education reflects the region's growing international engagement and opens up further opportunities for the UK.

Our large-scale projects increased audience engagement from 0.4 million to 0.8 million. We successfully piloted the International School Leadership Award in Brazil and Mexico as part of the Connecting Classrooms global project, motivating school leaders to embed internationalism in their school culture. Our work in English increased significantly, in part by the introduction of innovative e-learning products, and we reached nearly 600,000 people.

Our work on climate change focuses on young people. In Mexico, 23,000 students (and 650 teachers) registered online for our Climate Change Curriculum Development project, the highest registration recorded in the country's education history. In Colombia, over 10,000 people visited the website for our video competition, with another million reached through television broadcasts. The year culminated in the state visit to the UK by President Felipe Calderón of Mexico, who gave the British Council 75th anniversary lecture on the subject of climate change.

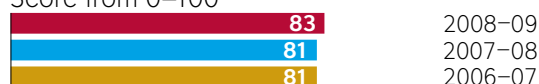
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0-100



Grant has remained steady to cope with the weakening of sterling. The region continues to allocate a third of the grant to Brazil in line with geographical priorities. Overall turnover has grown owing to increased income for our English (£1.1 million) and examinations business (£0.3 million).

We increased audience engagement from 0.4 million to 0.8 million

Expenditure by country	FCO grant	Other income	Total
Cuba	0.2	0.0	0.2
Chile	0.4	0.0	0.5
Argentina	0.6	0.0	0.6
Caribbean*	0.2	0.5	0.7
Venezuela	0.6	1.7	2.3
Mexico	1.5	1.9	3.4
Brazil	3.1	1.3	4.4
Colombia	0.8	4.8	5.6
Regional budget	1.8	0.0	1.8
<b>Total 2008-09</b>	<b>9.2</b>	<b>10.3</b>	<b>19.5</b>
2007-08	9.1	8.8	17.9
2006-07	9.0	7.6	16.6

\*Jamaica and Trinidad and Tobago

Figures in millions

# Central and South Asia

See case study, page 46

Regional performance

## Regional performance



Team participants attend a Skills for Employability event in London. © Navig8/Simon Harvey

**In this region of strategic importance, we work to strengthen trust in and understanding of the UK.**

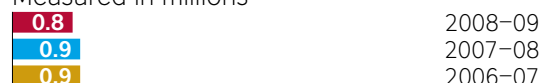
Connecting Classrooms has pioneered a new system of linking schools from differing backgrounds – state, private and faith-based – with the aim of developing greater community cohesion. Nearly 200 schools from the UK and across the region were linked in this way, including 40 schools in Afghanistan and a number of girls' schools set up after the fall of the Taliban.

Our Active Citizens project delivered leadership training for 750 young people in partnership with the Youth Parliament of Pakistan. Participants competed in a six-month television reality show, with viewers and panel judges voting to select the parliament and prime minister. The programmes regularly attracted 32 million viewers, and were aimed at changing perceptions held by older populations about the role of youth in society.

Our overall audience engagement figure dipped, reflecting our focus on building stronger relationships with leaders and influencers, and because of the enforced suspension of our operation in Iran in February 2009.

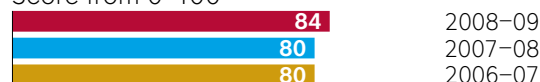
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0-100



There has been a substantial increase in grant to this region in line with the corporate shift in resources. In particular, grant for Pakistan has increased by £1 million. There has been a rise in overall income, explained by a £5 million growth in our examinations work, primarily in Pakistan (£2.2 million), Bangladesh (£1.6 million) and Nepal (£1.2 million).

The programmes regularly attracted 32 million viewers

Expenditure by country	FCO grant	Other income	Total
Iran	0.6	0.1	0.6
Uzbekistan	0.7	0.2	0.9
Kazakhstan	1.0	0.6	1.6
Afghanistan	1.6	0.2	1.7
Nepal	0.5	2.9	3.4
Bangladesh	1.4	9.1	10.5
Pakistan	2.8	14.1	16.9
Regional budget	1.0	0.0	1.0
<b>Total 2008-09</b>	<b>9.5</b>	<b>27.1</b>	<b>36.7</b>
2007-08	7.6	24.0	31.6
2006-07	6.1	27.3	33.4

Figures in millions

# South-East Europe



See case study, page 48

## Regional performance

### Our work focuses on building a secure neighbourhood for a globally competitive Europe.

Our Skills@Work project engages employers in the development of vocational training. Working directly with 15,000 individuals, we were able to reach four million others. UK expertise was drawn on when we established 12 links between UK colleges of further education and vocational schools across the region.

The publication of a media handbook on diversity has put this issue firmly on the agenda in Bulgaria, with over 1,000 journalists using it. Our public campaign, with the slogan 'We're people first, then we're different', used short cartoon animations to reach over five million people through broadcast media. The animations received a standing ovation from the 4,000-strong audience at the Sofia International Film Festival, and the campaign was awarded the Best Social, Political and Media Campaign award by the Association of Advertising Agencies in Bulgaria.

Beautiful Science in action.

© Kiran Ridley

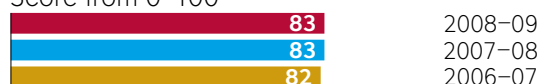
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0-100



Grant to the region has increased very slightly to ensure the delivery of programmes, given the strengthening of the euro against sterling in 2008-09. Overall, income has increased by £1.4 million owing to our examinations work in the region.

Expenditure by country	FCO grant	Other income	Total
Kosovo	0.2	0.1	0.3
Albania	0.3	0.1	0.4
Macedonia	0.3	0.1	0.4
Armenia	0.2	0.4	0.6
Georgia	0.4	0.3	0.8
Austria	0.4	0.5	0.9
Bosnia-Herzegovina	0.6	0.3	0.9
Azerbaijan	0.4	0.6	1.0
Croatia	0.5	0.5	1.0
Israel	0.9	0.4	1.4
Serbia and Montenegro	0.7	0.8	1.5
Bulgaria	0.7	1.6	2.3
Romania	1.0	2.6	3.6
Cyprus	0.5	3.2	3.7
Turkey	3.0	1.9	4.9
Greece	0.7	7.5	8.1
Regional budget	4.2	0.0	4.2
<b>Total 2008-09</b>	<b>15.0</b>	<b>20.9</b>	<b>35.9</b>
2007-08	14.5	19.5	34.0
2006-07	14.5	23.6	38.1

Figures in millions

# India and Sri Lanka

## Regional performance

We have focused on educational and cultural co-operation to build relationships.

We engaged with 2.5 million people this year across the region, compared with 1.8 million last year.

The UK–India Education and Research Initiative (UKIERI) has reached out to 45,000 contacts in the UK and India, making significant progress towards achieving a change in educational relations so that India and the UK become one another's partner of choice.

Following visits by Indian writers to the Edinburgh International Book Festival, Scottish writing was chosen as the theme for the 33rd International Kolkata Book Fair, one of the largest in the world. Half a million people visited the fair over 15 days to participate in 52 literary and cultural events. Author Alexander McCall Smith highlighted the closeness of the relationship between the two countries, saying:

'We both share the English language, a language that has been so much enriched by the contribution that India has made to it.'



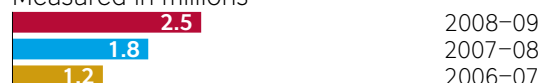
Primary school pupils in Baradabar Jeleypara Primary School, near Kolkata. © Debanjan Chakrabarti

See case study, page 50

Regional performance

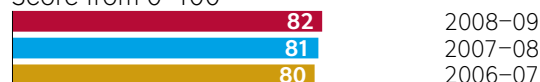
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0–100



Grant to this region has remained steady. The increase in overall income is attributed to the increased success of the examinations business (£4.7 million) and teaching (£0.8 million). Additional income of £1.3 million has been earned from the Young Audiences project (£1 million) and UKIERI (£0.3 million).

Our face-to-face engagement increased from 1.8 million last year to over 2.5 million this year

Expenditure by country	FCO grant	Other income	Total
Sri Lanka	0.2	6.3	6.4
India	4.1	13.0	17.1
Regional budget	2.6	5.4	8.0
<b>Total 2008–09</b>	<b>6.9</b>	<b>24.7</b>	<b>31.6</b>
2007–08	6.5	16.3	22.8
2006–07	6.3	15.3	21.6

Figures in millions



# Near East and North Africa

See case study, page 52



Libyan teachers prepare for English lessons.  
© British Council

## Regional performance

**We empower young people to acquire the cultural awareness and skills to mature into global citizens.**

Our engagement with customers has steadily increased over the past three years, with a 20 per cent rise in the last year. In Algeria we worked in partnership with the Ministry of Education to design and deliver training programmes for 1,000 teachers, many of whom will become teacher trainers, enabling rapid dissemination of knowledge across the country.

Our work in the arts gave professional voice to practitioners and contributed to the exchange of political and cultural ideas. Workshops for young playwrights led to public readings and performances in the region and at the Royal Court in London. Reciprocally, David Greig's play *Damascus* toured the region, playing to packed houses, stimulating powerful debate and attracting considerable media interest.

New initiatives began to strengthen dialogue between Islamic institutions and teaching centres in the UK. As well as continuing our internationally recognised partnership with the Al-Azhar University in Egypt, we worked with Islamic organisations in Jordan, Morocco and Lebanon.

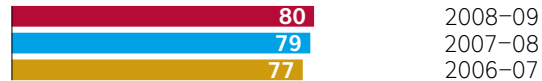
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0-100



There has been a significant increase in grant to the region in line with corporate priorities, and a £1.9 million growth in overall income as a result of a rise in English teaching, primarily in Libya (£0.8 million), Egypt (£0.3 million) and Jordan (£0.3 million).

Our engagement with customers has increased by 20 per cent over the last year

Expenditure by country	FCO grant	Other income	Total
Lebanon	0.5	0.6	1.1
Palestinian Territories	1.4	0.1	1.6
Tunisia (incl. Algeria)	1.0	0.9	1.9
Morocco	0.8	1.4	2.2
Libya	0.6	2.0	2.6
Syria	1.3	2.0	3.4
Jordan	2.1	2.6	4.7
Egypt	2.7	5.2	7.9
Regional budget	0.5	1.2	1.7
<b>Total 2008-09</b>	<b>10.9</b>	<b>15.7</b>	<b>26.6</b>
2007-08	8.6	13.8	22.4
2006-07	7.2	13.3	20.5

Figures in millions

# Russia and North Europe

## Regional performance



See case studies,  
pages 62 and 71

Regional performance

Students from around Europe take part in Challenge Europe. © Henna Aaltonen

We focus on helping young people develop the skills, knowledge and international networks they need to make a positive impact.

This rich interaction ensures that we engage with fewer people but these 'champions' go on to achieve great things. For example, through the Future City Game, we've been working with young people – urban influencers – to generate new thinking about ways to improve the quality of life in cities and share the ideas on our website. In 2008–09, we hosted 47 games in 14 countries, engaging 162 urban influencers and 1,000 participants. The high profile of the project has attracted increasing numbers of city authorities who are keen to host events in their cities, perceiving us and our UK partners as leaders in the field of urban innovation.

We continued our work in Dreams + Teams, running training courses for local tutors, who then train young people to organise sports events in their communities. In 2008–09, we put on 350 events in the region, involving over 12,500 participants.

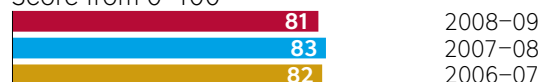
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0–100



Grant for the region has reduced in line with the corporate shift of resources to geographical priorities and the reduction of our presence in Russia. Income from the region has also decreased as Russia no longer carries out any income-generating activity. This has had a particular impact on examinations – reducing income by around £0.5 million compared with 2007–08 levels.

Expenditure by country	FCO grant	Other income	Total
Latvia	0.1	0.0	0.1
Estonia	0.1	0.0	0.2
Norway	0.2	0.0	0.2
Denmark	0.3	0.0	0.3
Finland	0.3	0.0	0.3
Lithuania	0.3	0.3	0.6
Slovenia	0.5	0.2	0.6
Slovakia	0.3	0.6	0.9
Hungary	0.6	0.3	0.9
Sweden	1.0	0.0	1.0
Russia	2.2	0.3	2.5
Czech Republic	0.5	2.3	2.8
Ukraine	0.7	2.1	2.8
Poland	2.1	4.5	6.6
Regional budget	2.8	0.0	2.8
<b>Total 2008–09</b>	<b>12.1</b>	<b>10.6</b>	<b>22.8</b>
2007–08	16.0	11.2	27.2
2006–07	16.8	14.0	30.8

Figures in millions

# East Asia



See case study, page 64

Wilson Ang at the Tokyo Training Group.

© Candy Tolosa

## Regional performance

We have strengthened the UK's engagement with policy-makers, emerging leaders, entrepreneurs and teachers with transformational initiatives that tackle shared agendas.

Access English built strategic partnerships with ministries of education in ten countries in East Asia, helping to transform the teaching of English by policy dialogue with decision-makers, the training of master trainers, and the development of websites to deliver resources nationally. Working with UK partners, we have delivered ten consultancies and ten symposiums linked to regional agendas, so strengthening the reputation of the UK as a world authority in English language teaching.

Connecting Classrooms linked 400 children in Indonesia with ten schools in the UK.

A highlight of our schools work was the Premier League-sponsored visit by students from the Muhammadiyah (Islamic) school in Indonesia to Portsmouth, which included a celebration of Pompey's FA Cup victory.

*History in the Making: A Retrospective of the Turner Prize*, in Japan, attracted over 300,000 visitors and refreshed perceptions of the UK.

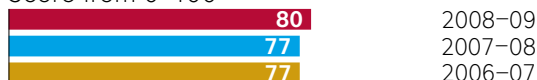
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0-100



Grant to this region has been increased to cope with the effect of the weakening of sterling, so allowing us to deliver our regional programmes. The large increase in overall income figures is a result of growth in teaching (£4.3 million) and examinations (£2.2 million).

The project linked 400 children in Indonesia with ten schools in the UK

Expenditure by country	FCO grant	Other income	Total
New Zealand	0.1	0.3	0.4
Australia	0.6	0.8	1.3
Philippines	0.3	1.8	2.0
Taipei	0.4	1.8	2.2
Indonesia	1.0	1.5	2.5
Vietnam	0.8	3.0	3.8
Burma	0.3	4.0	4.2
Thailand	0.7	4.8	5.4
Malaysia (incl. Brunei)	0.7	4.9	5.6
Republic of Korea	0.8	4.9	5.6
Japan	2.0	5.2	7.2
Singapore	0.4	9.1	9.5
Regional budget	5.3	0.5	5.8
<b>Total 2008-09</b>	<b>13.3</b>	<b>42.3</b>	<b>55.6</b>
2007-08	11.6	32.9	44.5
2006-07	12.3	29.4	41.7

Figures in millions

# Middle East

See case study, page 69

Regional performance

## Regional performance

**Our focus is on building educational and cultural links to improve levels of understanding between the UK and the region.**

Our educational programmes – Connecting Classrooms, Skills for Employability, Higher Education Excellence, English for the Future and Education UK Promotion – directly engaged with over 48,000 people across the region, building educational links at all levels between the UK and the Middle East.

As part of our work to build capacity and challenge stereotypical attitudes we worked with the BBC World Service to host workshops for writers from Kuwait, the United Arab Emirates, Saudi Arabia, Lebanon and Qatar. The result was a new radio production – *Al Amwaj* (The Waves) – which was broadcast to a worldwide audience of 40 million. We also successfully piloted our award-winning Springboard women's development programme across the region, empowering women both personally and in the workplace.

Overall our engagement with customers has increased by 17 per cent compared with last year, a significant contribution coming from our English language teaching centres and examinations, where we engaged with almost 73,000 people.



Al Aqeeda High School for Girls, Baghdad.

© Laith Hilal

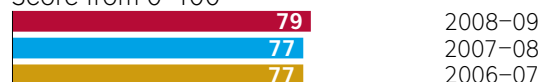
### Audience engagement

Measured in millions



### Customer satisfaction

Score from 0-100



Grant has increased to the region in line with corporate strategy. The rise in overall income is owing to teaching work throughout the region (£2 million) and examinations work (£3.2 million), earning an extra £5.2 million overall.

Our engagement with customers has increased by 17 per cent compared with last year

Expenditure by country	FCO grant	Other income	Total
Yemen	0.4	0.6	1.0
Iraq	1.1	0.0	1.1
Oman	0.4	1.4	1.8
Bahrain	0.3	1.7	2.0
Kuwait	0.5	2.4	2.8
Qatar	0.4	2.6	3.0
Saudi Arabia	1.6	6.3	7.9
United Arab Emirates	0.8	8.0	8.8
Regional budget	3.7	0.0	3.8
<b>Total 2008-09</b>	<b>9.1</b>	<b>23.0</b>	<b>32.1</b>
2007-08	7.5	17.9	25.4
2006-07	7.4	20.3	27.7

Figures in millions



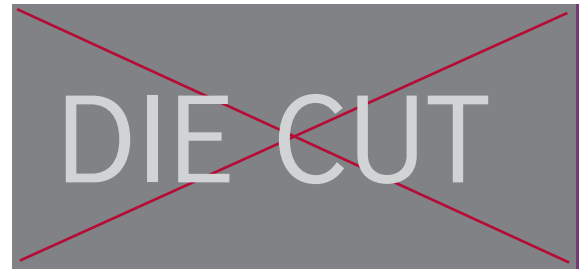
## Our people

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We are committed to equal opportunities, and to treating our staff, customers and partners fairly. We seek to remove any barriers to equal treatment and to redress existing imbalances.



# Striving to bring equality and diversity into the mainstream



It is essential to ensure that disadvantaged groups have equal access to opportunities and can fully participate in our own workforce and the wider society.

Our diversity agenda contributes to creating societies and working environments where people are understood and their differences are respected; qualities that relate to our common humanity. We believe that effectively managing the differences between people and their environments can lead to organisational and societal benefit in rapidly changing local, national and global contexts.

As an international organisation working in over 100 countries, we have hugely complex equality and diversity considerations. We believe that, by the exchange of ideas and knowledge and by consciously striving to bring equality and diversity into the mainstream of all aspects of our work (both internal and external), we will develop the cultural competence we need to build engagement and trust between people of different cultures.

## Cultural relations and values

We believe that cultural relations work needs to address the great global challenges of our time. For the UK over the coming years these are the need to build intercultural dialogue, to create opportunity for people to participate in the knowledge economy and to tackle the threat to us all that is presented by climate change.

We believe the way we work is as important as the work we do and that's why our organisational values shape our approach.

### Our organisation's values are:

- valuing people
- integrity
- mutuality
- creativity
- professionalism.

These values are promoted in a range of ways including discussing what they mean in practice and by approaches of innovative encouragement, acknowledgement and reward. For example, our office in Kuwait ran a values competition over a number of weeks in which staff nominated colleagues whose behaviour and actions reflected each of our values. The competition was judged by two senior British Council staff and has contributed to the sharing of related ideas and activity that helps ensure we engage with our values in a dynamic way and that they have practical meaning.

# DIE CUT

## Supporting tools

Only if we measure and monitor our actions can we make progress in bringing equality and diversity into the mainstream. We have a number of ways of tracking our progress, including equality monitoring, an integrated equality scheme and a Diversity Assessment Framework (DAF).

Equality monitoring is used to review the reflective diversity of our workforce.

We have been monitoring our UK-contracted staff since 2001 and we analyse the data annually to track progress and take action to address under-representation.

At 31 March 2009 our profile looked like this:

Category	Total number in 2008-09	% of British Council workforce in 2008-09	% of British Council workforce in 2007-08
Minority ethnic	225	16.0	16.8
Women	754	53.8	53.4
Disabled	39	2.8	2.6

We have made some progress towards an improved representation of disabled staff by increased recruitment. However, progress towards our pay band 10 targets for minority ethnic and women staff has regressed, resulting in a widening gap between our current profile and what we aspire to.

## Progress towards targets for pay band 10 posts

Category	As at 31.3.08	As at 31.3.09	2008 target	2010 target	2013 target
Minority ethnic	8.2%	3.8%	7%	12%	12%
Women	26.5%	21.2%	33%	37%	44%
Disabled	0%	0%	5%	5%	5%

To meet our obligations under various pieces of UK equality legislation we have established an Integrated Equality Scheme. Details of this scheme are available on our website, along with progress reports, which also explain how we are seeking to eliminate unjustified discrimination in the areas of disability, gender and race, and how we are seeking to promote equality and inclusion, specifically the inclusion of disabled people ([www.britishcouncil.org/home-diversity-what-we-do.htm](http://www.britishcouncil.org/home-diversity-what-we-do.htm)).

Our Diversity Assessment Framework is a bespoke tool that supports our attempts to bring equality and diversity into the mainstream of all aspects of our work. The cumulative framework consists of five levels, with a number of indicators at each level, against which evidence is presented and assessed. Our targets were to achieve 100 per cent engagement with the Diversity Assessment Framework and an organisational score of level 2. These targets have both been met. We have a target to attain level 4 by 2011.

Target	2007-08	2008-09
DAF 100% submission	86%	100%
DAF organisational average level	1.2	2.3

Data from the tool highlight the range of equality and diversity work being undertaken across our global network, the challenges encountered and responses to these challenges and the progress made.

They also highlight the partnerships and relationships that are being forged on the basis of a shared commitment to and interest in issues of equality and diversity.

This shared commitment is reinforced by the range of 'fact-finding' visits to the UK to learn about the UK's response to its rich cultural and ethnic diversity in particular, but also its more general management of equality and diversity.

# Diversity in the Media

## Bulgaria Case study



Many of our innovative projects have equality and diversity dimensions. The Diversity in the Media project aimed to promote diversity and counter racism, social deprivation, marginalisation and discrimination. It took five themes and developed a series of cartoons that were used as a public campaign to raise awareness about people with disabilities, refugees, people with HIV/AIDS, different ethnic groups (with a particular focus on Roma people), and lesbian, gay, bisexual and transgendered people. The cartoons were broadcast on seven television stations, and were screened inside 1,300 buses and at film festivals. Around 30,000 free cards about the campaign were distributed in 660 locations. The Sofia underground system featured advertisements and characters from the campaign.

It was nominated for a wide range of awards in eight countries.

A second element of the project has been the development of a media handbook that aims to:

- enhance the role of the media in making communities inclusive, successful and tolerant
- communicate the message about the role of journalists: the ethical and the business argument
- help journalists avoid falling into traps of language, emphasis and ignorance as they report the integration of new people, new ideas, new cultures and new faiths into cohesive communities, accepting that inaccuracy or insensitivity may damage progress being made in representing communities fairly and faithfully
- give constructive advice and offer guidance on editorial standards
- showcase positive and negative practices.

The British Council's overall purpose is to promote enduring partnerships between the British and other cultures, by creating opportunities to connect with skills and experience from the UK. In this context we have made a commitment to combat unjustified discrimination and promote equality and respect for diversity.

This commitment is expressed in our Equal Opportunity Policy and Diversity Strategy and more concretely in our Integrated Equality Scheme and action plans on race, gender and disability.



# Our people

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## Staff engagement survey 2009

Employee engagement remains high in the British Council with much more positive results than those that Ipsos MORI have in response to comparable questions used in other organisations.

The survey was completed by 5,058 employees in January 2009 and the results showed a continued high level of overall engagement and support for the work of the organisation. The employee engagement level outperforms the Ipsos MORI private sector norm by 21 per cent and their public sector norm by 24 per cent. Six of our regions again reported high levels of engagement, while the remaining six regions, including the UK, showed significant improvement.

These results are particularly pleasing in a year where we had to deal with the loss of purchasing power of sterling, which effectively reduced the international buying power of our government grant by 25 per cent, and the advent of our new large-scale programmes that changed the way in which we have to operate round the world.

A truly confident organisation continues to invest in its growth even in difficult times and for that reason there are areas we know we need to continue to focus on. The low level of satisfaction that staff feel about training and development opportunities needs to be addressed. To ensure we are seen to fulfil our commitment we will require all regions and departments to develop and publish their training and development plans on their regional/departmental intranets along with quarterly updates on execution.

We also want to improve levels of engagement among middle managers and teachers. We will develop communication guidelines, resources and training to support senior managers in their communication with middle managers.

We will evaluate the new performance management system tailored specifically to the needs of teachers and take any necessary remedial action.

Our regional leadership teams will also identify and provide effective support for ways in which teachers can become more embedded in the organisation, its culture and its future direction.

The British Council recognises employee engagement has a very strong impact on an organisation's performance. Our survey, introduced in 2003, was extensively redesigned in 2007 to reflect the most current thinking. In 2009 we will add an interim survey to check progress and we will seek staff views more frequently than once a year.

# Exchanging ideas and knowledge



## Performance management system

In 2008 we introduced changes to our performance management approach, which apply to all staff globally apart from network teachers, who are using a slightly different model based on performance and development in the classroom.

**The new approach was designed to:**

- increase the focus of performance management on the achievement of measurable results
- increase the alignment of an individual's contribution with business priorities
- increase the accountability of managers in managing staff performance and staff development.

The changes we have made include the adoption of a five-box rating system and a more rigorous approach to the moderation of performance ratings, launched through a global network of Performance Management Co-ordinators as the main change facilitators at regional/country and departmental levels.

**We have also developed and introduced a number of new tools, which include:**

- a user guide for performance management
- an e-learning course
- an online 'performance portfolio', to track progress against agreed deliverables during the year
- a Performance Management Skills training module.

We have monitored staff opinion on the new approach at regular intervals during the first year of implementation and will be evaluating impact once we have completed the first full performance cycle.

On the basis of the feedback to date, the majority of staff supports and understands the need for the changes and their responsibilities in working with the new system. We have had consistently more positive feedback from overseas regions than from the UK. At this stage, review data suggest lower levels of confidence about whether the changes will increase staff engagement and support better staff development, possibly reflecting the time required to gain more experience in using the new system and tools before making a judgement on effectiveness and benefits.

# Environmental policy

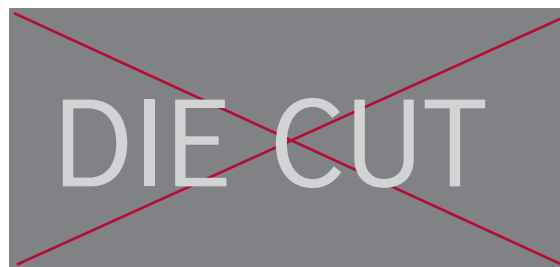
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We believe that good environmental management is essential for demonstrating leadership and innovation.





# Innovation in green technology



## Environmental considerations in everything we do

Our environmental strategy fits with our values and helps us tackle one of the greatest global challenges of our time.

Our increasing involvement in climate change projects, coupled with the recently introduced Climate Change Act, necessitates a need for our operations not only to further reduce greenhouse gas emissions but also to meet emissions budgets and, eventually, reduce our carbon emissions.

### Our environmental strategy supports our scale of ambition in the following ways:

- more contracts – this activity will increase our credibility with potential clients and funding agencies and provide initiatives that meet our cultural relations and climate change objectives
- partnership income – a new area of partnership can result from the offsetting scheme, giving us an opportunity to engage with a range of partners who are willing to contribute financially to our work
- UK stakeholder strategy – to demonstrate the potential of the UK and of the British Council to lead in this area.

### Opportunity for collaboration

We have worked closely with the Foreign and Commonwealth Office in developing our environmental management systems. Offsetting projects will attract non-governmental organisations, non-departmental public bodies and charities who are unable to use existing offsetting schemes, and commercial organisations who wish to deliver carbon savings by offsetting with non-commercial activities.

Our environmental strategy for 2008–11, developed by the Environmental Strategy Board, includes:

### Environmental Management System

In 2008–09 we developed and implemented an Environmental Management System (EMS) and received international standard certification to ISO14001 at our three largest offices in the UK: Spring Gardens, Telford Way and Bridgewater House.

We held awareness-raising events in the UK, training over 400 staff in the principles of environmental best practice. We have developed an Environmental Management Plan (EMP), which sets targets for reducing carbon, energy, water and waste. In 2010–11 we will analyse the data we have collated, review our targets and roll out the system to our other UK offices: Edinburgh, Belfast and Cardiff.

### Overseas Environmental Framework Tool

We have developed an overseas Environmental Framework Tool (EFT), encompassing parts of the UK EMS and structured in line with the Diversity Assessment Framework (DAF).

After successful pilots in China, Hong Kong, Colombia, Romania and Nigeria, the EFT was rolled out to the rest of the world. The West Europe and North America and Russia and North Europe regions, together with some pilot countries, are leading the way and have reached level 1 of five levels, with the more ambitious already in level 2 of the framework.



# DIE CUT

## Provisional global targets

Year	Aim	Corporate action	EFT – country performance distribution (%)				
			EFT1	EFT2	EFT3	EFT4	EFT5
2008–09	Getting going (launch autumn 2008)	<i>Corporate plan 2008–11</i>	100	0	0	0	0
2009–10	Building from a strong platform	Environmental policy	0	76	20	4	0
2010–11	Demonstrable performance		0	50	40	8	2
2011–12	Olympic effort	Responding to focused aspirations in future plans and programmes	0	12	38	38	12
2012–13	Sustained excellence	Environmental policy	0	0	30	50	20
2013–14	Recognised leader		0	0	12	27	51

## Targets

- All countries to complete level 1: Making a commitment and mobilising, by 31 March 2009.
- All countries to complete level 2: Understanding and responding, by 31 March 2010.

Level 3: Performance improvements

Level 4: Strong performance

Provisional level 5: Showing leadership

We have developed an intranet site that explains the two management systems and provides information for all staff.

### Other initiatives under development:

- sustainable procurement
- responsible travel guide
- green events guide
- carbon offsetting project
- setting reduction targets for the overseas network
- guide to environmentally sensitive rebuilds and refurbishments throughout our global estates.

## Leaders in technology

The British Council received an e-Government National Award for sustainable green IT at an awards ceremony in London in January 2009. The British Council's IT team collected their award from Tom Watson MP, Cabinet Office Minister for Transformational Government, at a ceremony at London's Guildhall. In winning the award, the British Council has received national recognition for its innovation in green technology and IT implementation.

'Increasing understanding of the case for tackling climate change is a major aspect of the British Council's work, so it is all the more important that our IT is as carbon efficient as possible,' said Chris Hawkins, Chief Information Officer, British Council.

The judges were impressed by the reduction in the number of our servers, which is saving in excess of 600 tons of CO<sub>2</sub> emissions a year; it would take up to 45,000 trees to absorb that amount of carbon dioxide. Another feature of the team's winning entry was the new audio- and web-conferencing tools that have been rolled out across offices globally, reducing the need for flying to meetings.

# Changing opinions in Colombia

## Colombia Case study



Our office in Colombia has now reached level 2 of the Environmental Framework Tool (EFT), far earlier than the target date set for the network of March 2010, so we feel we are doing well.

The Bogotá office was initially indifferent towards the environment. It seemed global hype surrounding climate change ranging from constant media bombardment to Al Gore's persuasive use of a small crane in *An Inconvenient Truth* had a limited effect on many staff members.

What a surprise it was to see everybody change very quickly when our new director became Green Office Champion and made the Green Office team's activities a priority for the year. Since then we've made significant changes – installing green printers, a water filter, environmentally friendly air fresheners and turning down the heating and lighting.

The result – a fair bit of moaning from a few but environmental savings for everybody.

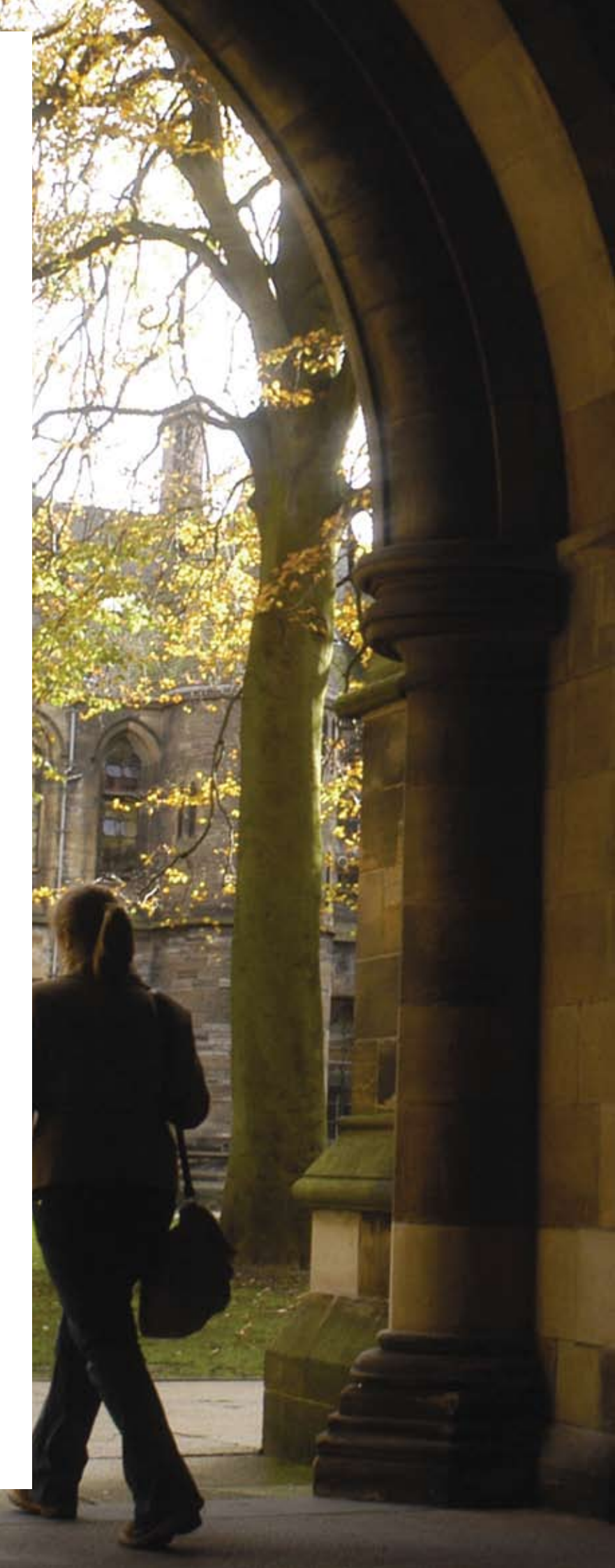
Obviously the main aim of this project is to reduce our carbon footprint and to practise what we preach. How can we carry out work on climate change projects when we aren't green ourselves? But in today's world we've found that it's our financial savings that really make the difference. At one stage we were saving £1,000 a month.

We marked the start of this year with the publication of a green 2009 calendar, made out of recyclable materials and using images of climate change drawn by our young learners. This year we have focused on staff training, energy and water use, waste management and contractor/procurement management and, just to show that it is possible to mix the global aims with the local, we are holding an event – Shared Responsibility – in conjunction with the Colombian Vice-Presidency, which highlights the negative effects that drug production and consumption has on the environment in Colombia.

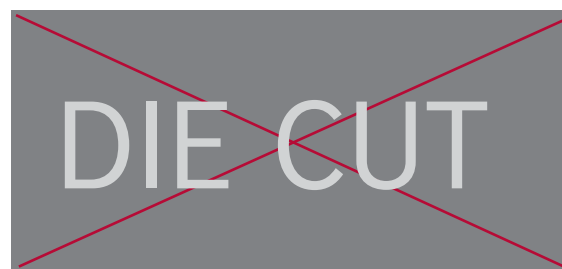
## Financial review

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For every £1  
of government  
grant we receive,  
we earn £2.21  
from other sources.



# Income has increased by 14 per cent

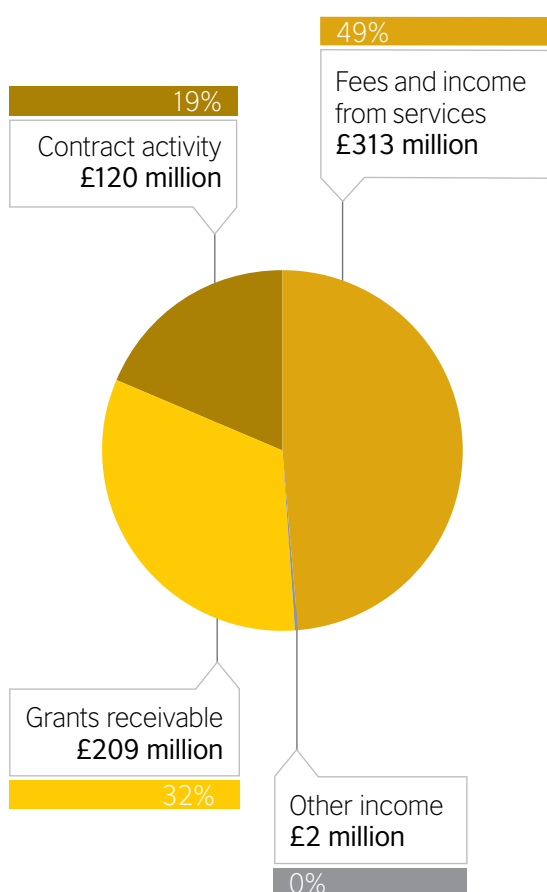


## 1 Detailed results

### Income

Total income for the year has increased by 14 per cent (£80 million) to £645 million, compared with last year.

Total income received 2008–09



Grants receivable, which represent approximately 32 per cent of income, rose by six per cent (£12 million) to £209 million. The British Council, like many global organisations with income and expenditure in foreign currencies, was affected by the significant decline in the purchasing power of sterling experienced during the year. The full-year grant income included a one-off £6 million 'Foreign Exchange Compensation Allowance' given by the Foreign and Commonwealth Office as partial relief against the impact of adverse currency movements.

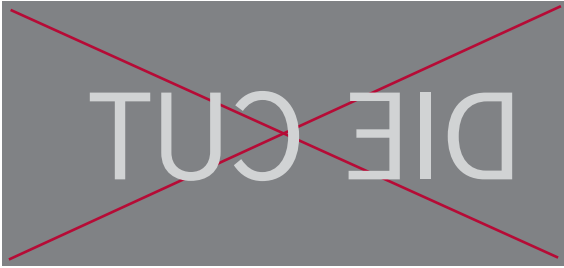
**Fees and income from services, which represent approximately 49 per cent of income, rose by 25 per cent (£63 million) to £313 million.**

- Strong business performance relating predominantly to higher demand for learning and educational products, resulted in an increase of income of £36 million compared with last year.
- Over 40 per cent of the British Council's income is denominated in non-sterling currencies, which appreciated against the pound. This resulted in an increase in income of £27 million compared with last year.

Funding for contract activity, which represents approximately 19 per cent of income, rose by five per cent (£6 million). Contract activity is work carried out on behalf of clients including the Department for International Development and the European Union. The majority of the British Council's contract work continues to be in support of 'encouraging educational co-operation and promoting the advancement of education'.

Other income of £2 million is primarily interest earned on bank balances.



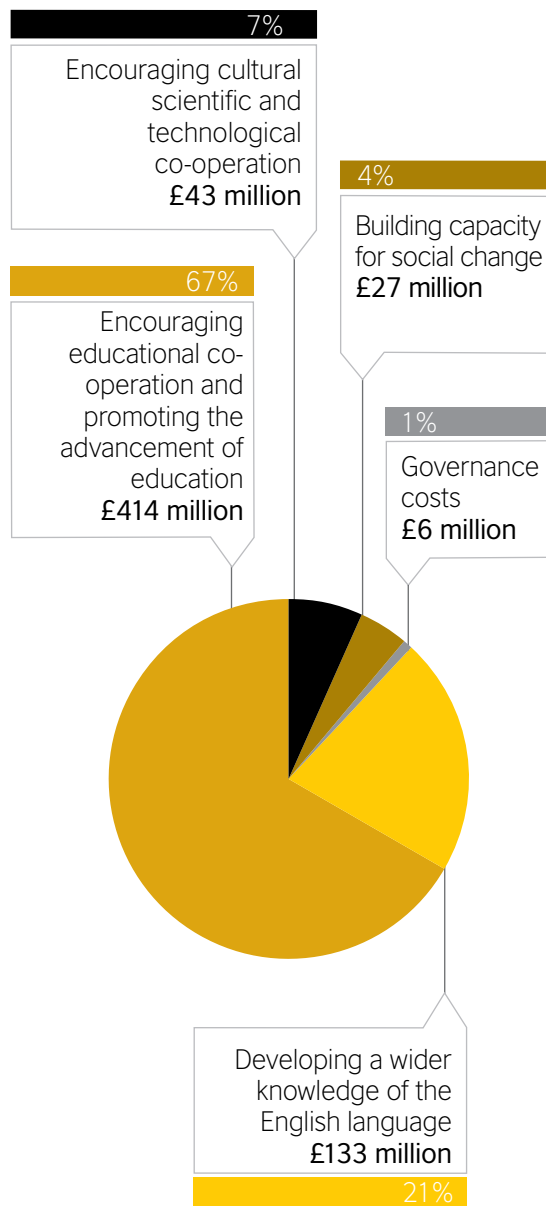


### Expenditure

Total expenditure for the year has increased by 12 per cent (£64 million) to £622 million, compared with last year.

Higher business volumes associated with learning and educational products added £36 million to costs. Additionally, the weakening of sterling added a further £28 million to costs across the organisation.

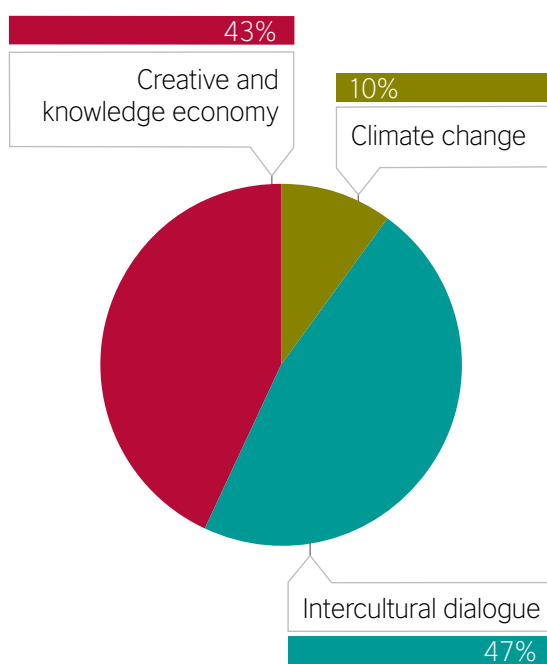
### Total resources expended 2008–09



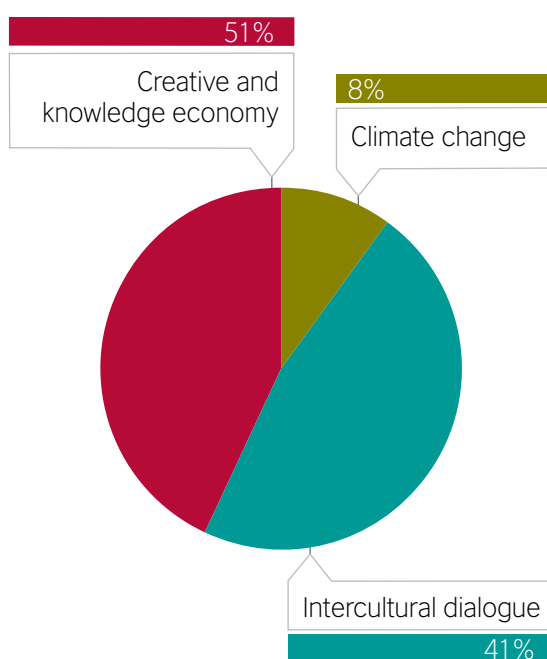
# Delivering more English, science and arts projects



2008–09 *Corporate plan*



2008–09 actual spend



## Programme spend

The British Council increased spend on grant-funded programmes by £5 million to £95 million, despite a flat cash Comprehensive Spending Review (CSR) settlement and the removal of the Overseas Price Mechanism (OPM), the facility through which the British Council was previously compensated for the decline in the value of sterling, and loss in the purchasing power of sterling. This was achieved by focusing on reducing the proportion of funding spent on overheads. In 2009–10 the aim is to increase programme spend further to £105 million.

Last year, the British Council initiated a process of redirecting grant-funded resources from locally developed, small-scale cultural relations activities to large-scale global and regional programmes. The purpose of this was to consolidate resource use and achieve greater impact. Progress continues in this area, with large-scale programmes representing 53 per cent of programme spend in 2008–09, up from 41 per cent last year.

In the 2007–08 *Corporate plan*, the British Council introduced the three programme areas – intercultural dialogue, the creative and knowledge economy and climate change – which provide the programme framework for all British Council activity. In 2008–09, actual spend for the creative and knowledge economy area was slightly higher than planned as the British Council was able to deliver more English, science and arts projects.

# Financial review

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Grants receivable represent approximately 32 per cent of our income

## Efficiency savings

Efficiency savings required to meet the British Council's CSR settlement, accommodate the loss of OPM and to allow more resources to be directed to programme activities, have been achieved by, among other things:

- a reorganisation of European operations following a 30 per cent reduction in grant funding to this region over the past two years
- further roll-out and exploitation of the global SAP finance and business system, including concentrating support services in regional hubs.

Focus on efficiency will continue by further changes to the delivery model for both operations and business support services (Finance, IT and HR).

The British Council is on track to meet the three-year efficiency targets set out in its CSR settlement.

## 2 Reserves policy

The reserves policy, last reviewed and agreed by the Board of Trustees in April 2008, ensures the British Council has sufficient reserves to allow it to cover known liabilities and contingencies, absorb setbacks and take advantage of change and opportunities. The assessment of the appropriate level of reserves is made with reference to the following categories:

- to fund working capital requirements
- to fund specific liabilities in the future
- to fund future investment where it is not practical or economic to borrow
- to protect the organisation against business continuity risks when there is a short-term dip in income
- to provide protection for the rest of the business where there is a catastrophe in one part of it, resulting in exit from a particular business activity.

The Board of Trustees regularly reviews the reserves policy to reflect changes in the size of the business, risk profile and investment requirements.



At 31 March 2009 the total general reserve was £46 million. This is a composite figure combining the reserves related to both the full-cost recovery activities, which comprise teaching, examinations and contract delivery plus any reserves related to the grant and partnership-funded activities. The increase at 31 March 2009 compared with a year ago reflects business performance (£12 million) and favourable movement in exchange rates (£12 million).

The general reserve includes a debit balance of £17 million. When the accounting basis was changed from cash to accruals on 1 April 1995, liabilities for terminal gratuities and continuing early retirement schemes were brought into the accounts on the balance sheet for the first time. Accordingly, a debit balance on the general reserve was recorded. The Trustees, management and the Foreign and Commonwealth Office are committed to continuing activities at current levels, therefore, there is no immediate requirement to restrict operations to cover these liabilities.

The British Council must manage its affairs to ensure that the level of reserves and associated cash balances related to activity substantially funded by the government grant are kept at an acceptable level in accordance with its responsibilities under *Managing Public Money*.

### 3 Aims and objectives

In 2009–10, we will continue to encourage cultural co-operation between the United Kingdom and other countries through our work in three programme areas:

**Intercultural dialogue:** we will strengthen levels of understanding and trust between people in the UK and other societies, focusing our activities on younger people and encouraging them to realise the benefits of intercultural relationships. Our priority regions will be Central and South Asia, the Middle East, and Near East and North Africa.

**The creative and knowledge economy:** we will build openness and the sharing of knowledge and ideas, both to position the UK as a leading international partner and to ensure that others benefit from the exchange. We will continue to promote English as a tool for global communication, intercultural understanding and the basis for self-improvement.

**Climate change:** we will work with young people and policy-makers to support the growing international consensus on climate change, both the need to tackle its causes and to adapt to the changes it will bring.

We are putting in place a programme to work with a wide range of UK and overseas partners to enable mass people-to-people engagement worldwide. The aim is to make the UK's cultural relations a significant force for building trust, which is more important than ever if we are to meet the scale of the challenges ahead.

### 4 Grant-making policy

Part of our charitable activity is undertaken by making grants to individuals and organisations to facilitate their participation in events, schemes or programmes set up to achieve our objectives. The grants are made to successful applicants, both from overseas and the United Kingdom, who fulfil the published criteria for each scheme and who are best suited to deliver the outputs intended by the activity.



# Financial review

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## 5 Financial instruments, credit, liquidity and market risk

The Statement on Internal Control sets out the British Council's approach to managing its main financial risks. In addition the British Council is required to make the following disclosures under the UK *Financial Reporting Standard FRS29*.

**The categories of financial instruments held within the British Council are:**

- loans and receivables: the British Council values receivables initially at fair value and subsequently at amortised cost. The British Council has no intention of trading receivables and currently holds no loans.
- assets available for sale: the only assets that the British Council holds under this category are cash and short-term investments as described below. These are stated in the accounts at fair value.
- financial liabilities: the British Council's policy is that short-term creditors are recorded at carrying value and long-term creditors are reflected at amortised costs where reasonable timescales exist over which to discount and where this is materially different from carrying value.

### Credit risk

The British Council is exposed to credit risk on trade debtors over 120 days of £3 million. This risk is not considered significant as a number of these debts relate to European Union projects on which the British Council is protected from financial risk. In addition experience in many overseas regions demonstrates that aged debts in this timeframe remain valid and collectable.

Bad and doubtful debts are provided for on an individual basis. Write-offs in the year for bad debts amounted to £141,000 (£45,000 in 2007–08). No individual write-off was greater than £30,000.

Counterparty credit limits, which take published credit rating and other factors into account, are set to cover the total aggregate exposure to a single financial institution. Exposures and limits applicable to each financial institution are reviewed on a regular basis. The British Council has not suffered any loss in relation to cash held by its banks.

### Liquidity risk

Core grants from government departments, principally the Foreign and Commonwealth Office, comprise 32 per cent of total income of the British Council. The remainder is funded via self-generating income. Any liquidity risk is minimal, as overseas current account balances are generally maintained at five weeks' working capital requirement to ensure sufficient cash for operational activities. Surplus cash is repatriated to the UK where local foreign exchange controls permit, and invested in the UK. Otherwise surplus funds are invested overseas.

All investments are in accordance with the British Council's investment policy and are held in short-term deposit accounts or via money market deposits with a maturity of not more than three months at market rates. The British Council is therefore securing interest returns on cash holdings largely held in the UK on a short- to medium-term basis.

The British Council, as at 31 March 2009, held cash and cash equivalents amounting to £155 million, of which £53 million (2008: £36 million) was held in sterling, £48 million (2008: £47 million) was held in euros and £5 million (2008: £1 million) was held in US dollars. Other currency holdings amounted to £49 million (2008: £28 million).



£57 million (37 per cent) of the total cash balances of £155 million, was held in overseas bank accounts of which £36 million was held with banks incorporated in the UK and regulated by the Financial Services Authority.

£21 million (14 per cent) of total cash was held with overseas banks outside the UK bank portfolio. Counterparty risks relating to our banks holding balances overseas are reviewed regularly.

At 31 March 2009 total interest income amounted to £2 million, of which £1 million was earned in the UK and the balance of £1 million attributable to cash invested overseas.

#### Currency risk

The British Council operates in over 100 countries and carries out transactions in sterling, US dollars, euros and a variety of local currencies.

The British Council manages its exposure to foreign currency risk on cash balances by maintaining operational funding balances in local currency bank accounts where possible to no more than working capital requirements. Where countries have deregulated foreign exchange controls any excess funds over and above working capital requirements are repatriated to the UK, invested and/or held in convertible hard currency accounts.

The British Council does not currently engage in hedging activities or forward foreign currency contracts, but has recently received approval from HM Treasury and the Board of Trustees to forward hedge its euro and US dollar exposures to provide budget certainty. The British Council's euro and US dollar exposure is limited by significant natural hedges.

Cash balances in currencies where local foreign exchange regulatory environments make it difficult for the British Council to repatriate or convert currency balances into hard currency positions amounted to a sterling equivalent of £33 million at 31 March 2009. This figure includes working capital requirements. The British Council is actively seeking ways to manage and limit the effect of foreign exchange gains and losses on cash balances held in those currencies.

#### 6 Information on payment policy

The British Council's payment policy in respect of third-party creditors is to settle on the contractual payment date or within 30 days from the date of the invoice receipt, provided that the relevant goods and/or services have been supplied (in line with the Better Payment Practice Code).

During the financial year 2008–09, 97 per cent (2007–08: 96 per cent) of valid invoices were paid within this target period. This figure includes payment of grants and stipends. The total number of payments transactions processed in 2008–09 was 91,557 (2007–08: 93,952\*). These figures relate only to UK activity.

\*Restated

# Governance

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The British Council is a charity and an executive non-departmental public body audited by the National Audit Office.







DIE CUT

The rules for Board membership are set out in the Royal Charter. Members are elected by the Board following an open recruitment process. They must be British citizens and are chosen for their ability to contribute experience and expertise to the British Council.

The term of appointment to the Board is three years, with the possibility of renewal for a further three years.

Appointment to the offices of Chair and Deputy Chair requires the prior approval of the Foreign Secretary.

The Chair, Deputy Chair and members of the Board are not remunerated but are reimbursed out-of-pocket expenses necessarily incurred on British Council business. If a Board member undertakes work in a professional capacity at the request of the British Council, fees for such work may be paid.

The Board Code of Practice requires members to declare any interest that may conflict with their responsibilities as Board members.

**This information is available for inspection.**

**Principal address**

10 Spring Gardens  
London SW1A 2BN  
Telephone +44 (0)20 7930 8466

**Auditors**

Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria, London SW1W 9SS

**Bankers**

HSBC  
129 New Bond Street  
London W1A 2JA

Charity registration number  
209131 (England and Wales);  
SC037733 (Scotland)





## The Board members (Trustees)

Chair

**Rt Hon. Lord Kinnock** ††

Deputy Chair

**Gerard Lemos** CMG ††

Partner, Lemos & Crane

Members

**Nihal Arthanayake**

Musician, broadcaster and DJ

**Zeinab Badawi**

Broadcaster and journalist

**Alan Buckle** †

Global Head of Advisory

KPMG

**Professor Pamela Gillies** ††

Principal and Vice-Chancellor

Glasgow Caledonian University

**Tony Hall** CBE

Chief Executive

Royal Opera House

**Brian Hanna** CBE

Chair

British Council Northern Ireland Committee

**Sue Hoyle**

Director

Clore Leadership Programme

**Claire Ighodaro** CBE †

Independent director

**Professor Steve Jones**

Professor of Genetics

University College London

**Professor Sir Timothy O'Shea** †

Principal and Vice-Chancellor

University of Edinburgh

**Raoul Shah**

Chief Executive and Founder

Exposure

Board members who served during part of the reporting year in the professional capacity shown

**Charles Grant**

Director

Centre for European Reform

**Jude Kelly** OBE

Artistic Director

South Bank Centre and

Founder and Artistic Director

Metal

**Professor Elan Closs Stephens** CBE

Professor of Communications and

Creative Industries

University of Wales Aberystwyth

Secretary

**Andy Mackay** OBE

† Member of the Audit Committee

‡ Member of the Nominations Committee

‡ Member of the Remuneration Committee



## British Council Advisory Board

(at 31 March 2009)

The role of the Advisory Board is to provide a wider view of, and different perspectives on, the external context of our work and to stimulate innovative thinking about all dimensions of that work. Members of the Advisory Board may be either British citizens or from overseas.

### Chair

**Rt Hon. Lord Kinnock**

### Members

Membership of the Advisory Board comprises Board members (Trustees), Chairs of the country committees, Chairs of the sectoral advisory groups, and those listed here.

### Professor Giuliano Amato

President of the Enciclopedia Italiana Treccani

**The Hon. Anson Chan** GBM GCMG CBE  
Patron of the English-Speaking Union  
Hong Kong

### Bruno Delaye

French Ambassador to Greece

### Julie Kirkbride

MP for Bromsgrove

### Edwin Laurent

Head of International Trade  
Economic Affairs Division  
Commonwealth Secretariat

### Professor Dr Jutta Limbach

Former President  
Goethe-Institut

### Michael Moore

MP for Berwickshire, Roxburgh  
and Selkirk and Liberal Democrat  
Shadow Secretary of State for  
International Development

### Abdul Mu'ti

Secretary to Council of Primary and Secondary  
Education, Central Board of Muhammadiyah

### Rakesh Nangia

Director of Operations  
World Bank Institute

### Sir David Normington

Permanent Secretary, Home Office

### Professor Amartya Sen

Lamont University Professor  
Harvard University, USA

### Rt Hon. Lord Smith of Finsbury

Chairman, Environment Agency

### Wole Soyinka

Writer

### Mark Thompson

Director-General  
BBC

## Executive Board members

(at 31 March 2009)

**Martin Davidson** CMG

**Mark Robson**

**Bidesh Sarkar**

**Cathy Stephens** OBE

**John Worne**

# Governance

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## Country committees

### Northern Ireland Committee

#### Chair

Brian Hanna CBE

#### Members

Professor Alastair Adair

Professor Kenneth Brown

David Cargo

The Hon. Mr Justice Deeny

Professor Brice Dickson

Rita Duffy

Will Haire

Rosemary Kelly OBE

Jim Kitchen

Dr Aideen McGinley OBE

Seamus McKee

Jonna Monaghan

Helen Osborn

Trevor Ringland

Professor Gillian Robinson

Paul Sweeney

#### Secretary

Colm McGiven

Until July 2008

Gillian Belben

Until March 2009

Shona McCarthy

From March 2009

### Scotland Committee

#### Chair

Sir Andrew Cubie FRSE

Until November 2008

James Boyle

From November 2008

### Members

The Hon. Lord Clarke QC

Sir David Edward

Leslie Evans

Sir John Grant

Ken Greer

Nick Kuenssberg OBE

Mukami McCrum

Sheena McDonald

Graham MacNaughton

Dr Dave Reay

Rt Hon. George Reid

Professor Seona Reid

Professor Joan Stringer CBE FRSE

Professor Allan Walker

Professor John Wallace CBE FRSE

### Secretary

Roy Cross

### Wales Committee

#### Chair

Professor Elan Closs Stephens CBE

#### Members

Gary Davies

Richard J. Davies

Aled Eirug

Andrew Green

Lynn Hamilton

John Howells

Yasmin Hussein

Judith Isherwood

Euryn Ogwen Williams

Professor Teresa Rees CBE

Berwyn Rowlands

Professor Stephen Tomlinson

### Secretary

Dr Kevin Higgins



## Advisory groups

### Education and governance

#### Chair

**Professor Geoff Whitty**

Until October 2008

**Professor Michael Worton**

From October 2008

#### Members

**Dr Rob Berkeley**

**David Cargo**

**Professor Lynn Davies**

**Dr Rita Gardner** CBE

**Steve Grainger** MBE

**Jacqui Henderson** CBE

**Rajiv Joshi**

**Professor Liz Kelly** CBE

**Graham Leicester**

**Nina Panayis**

**Professor Sir Peter Scott**

#### Joint Secretary

**Steve Shaw**

**Gordon Slaven**

### English language

#### Chair

**Dr Catherine Walter**

#### Members

**Steve Brent**

**Professor Chris Kennedy**

**John McGovern**

**Peter Mothersole**

**Professor Alison Phipps**

**Dr Philida Schellekens**

**Andrew Thompson**

**Professor Brian Tomlinson**

#### Secretary

**Barbara Hewitt**

### Science and engineering

#### Chair

**Dr Gill Samuels** CBE

#### Members

**Anjana Ahuja**

**Professor Steve Albon**

**Professor Jim Al-Khalili**

**Professor Polina Bayvel**

**Professor Neil Champness**

**Professor Mike Hulme**

**Tony Juniper**

**Professor Mike Lamb**

**Dr Vicky Pope**

#### Secretary

**Dr Lloyd Anderson**

In 2009, the Arts Group will be reinstated under the leadership of a new Chair.



# Governance

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## 1 Legal status

The British Council is registered as a charity under registration numbers 209131 (England and Wales) and SC037733 (Scotland).

The British Council was established in 1934 and incorporated by Royal Charter in 1940. A Supplemental Charter of Incorporation was granted in 1993.

**Patron** Her Majesty the Queen

**Vice-Patron** His Royal Highness The Prince of Wales

### Principal address

10 Spring Gardens  
London SW1A 2BN

## 2 Objects

**The objects (as defined in its Royal Charter) for which the British Council is established and incorporated are to advance any purpose that is exclusively charitable and that shall:**

- promote a wider knowledge of the United Kingdom
- develop a wider knowledge of the English language
- encourage cultural, scientific, technological and other educational co-operation between the United Kingdom and other countries, or
- otherwise promote the advancement of education.

**The purpose of the British Council is to:**

- build engagement and trust for the UK through the exchange of knowledge and ideas between people worldwide.

## 3 Governance

The Royal Charter vests all the powers of the British Council in a Board of Trustees. The Board has three sub-committees: Audit, Remuneration and Nominations, to which it has delegated certain responsibilities (see paragraphs 10–12).

The Board receives reports on the work of these sub-committees. The Board also delegates certain authorities to the Chair and to the Chief Executive, who in turn can delegate them wholly, or in part.

The board of management for the British Council is the Executive Board. The identification of candidates with the appropriate balance of skills and experience for both the non-executive and executive roles is undertaken by open recruitment. Members of both the Board of Trustees and the Executive Board are provided with induction and training in their roles.

The British Council is also an executive non-departmental public body sponsored by the Foreign and Commonwealth Office (FCO) under the responsibility of the Rt Hon. Caroline Flint who was Minister of State for Europe during the year 2008–09. The FCO/British Council management status was renegotiated and agreed in October 2006 and the financial memorandum in November 2007.

The British Council has robust governance arrangements to promote high performance and safeguard propriety and regularity. Corporate governance was reviewed in 2007.

## 4 Audit

These accounts have been audited by the Comptroller and Auditor General by agreement with HM Treasury and are, with the annual report, laid in the Library of the House of Commons. The audit fee for 2008–09 was £130,000.

The Companies Act now permits the Comptroller and Auditor General to audit the accounts of companies. Therefore following direction from the Foreign and Commonwealth Office, the accounts of BC Trading International Ltd were audited by the National Audit Office for 2008–09 for a fee of £6,000.



The National Audit Office in 2008–09 also audited the accounts of the three largest trusts of which the British Council is a sole trustee for a total fee of £3,300.

Through his staff, the Chief Executive has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as the Chief Executive is aware, there is no relevant audit information of which the auditors are unaware.

## 5 Risk management

The British Council has a system of internal control based on a continuing process designed to identify and prioritise the risks to the achievement of British Council 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.

Risks are identified via the global risk reporting process and discussed by the Executive Board quarterly and the Board of Trustees annually. The Executive Board is responsible for establishing and maintaining the system of internal control, for reviewing its effectiveness and for ensuring necessary actions are taken to remediate significant failings or weaknesses. In addition, any specific material risks emerging are addressed as required.

As part of the process of continual improvement and in response to an increased exposure to risk, both as a result of significant developments in the external environment and major changes planned to the British Council's business over the next few years, a Risk Board was established during the year to provide added assurance to the Executive Board that risks to the achievement of the British Council's objectives are being managed effectively.

The Risk Board is chaired by Deputy Director Operations and made up of senior managers from operational departments and support

services. The Risk Board meets quarterly to review the assessment of risks, consider whether the existing and proposed mitigation is sufficient, and make recommendations for improving mitigation where necessary. A report from the Risk Board highlighting significant issues and concerns is considered by the Executive Board at its risk meeting each quarter.

The Business Risk Management Framework, which has been the primary tool for risk management for the past seven years, was replaced from April 2009 by two new frameworks: the Enterprise Risk Management Framework (ERMF) and the Financial Control Compliance Framework (FCCF), in order to address the changing external and internal risk environment.

## 6 Connected charities and organisations

The British Council co-operates with many organisations in the pursuit of its charitable objectives. Other than related parties the British Council has no direct relationship with any organisation other than by way of normal contract.

The British Council is the sole corporate trustee of a number of small trusts of which the three largest are the United Kingdom 9/11 Scholarships Fund, the Lefèvre Trust and the Sir Shiu Kin Tang Educational Trust.

## 7 Disabled employees

The British Council continues its commitment to ensuring disabled employees are able to progress in and develop their careers.

We have achieved the Disability symbol (Positive about Disabled People) and this is displayed on our recruitment advertisements as well as on all our web pages, in an attempt to encourage disabled people to consider applying to work with us and to reflect our commitment to existing employees. We guarantee an interview to all disabled people who meet the required criteria.

# Governance

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Our policy is to ensure, in all terms and conditions of service, that staff with disabilities are not discriminated against and, where appropriate, reasonable adjustments are made to enable disabled people to carry out their duties and to compete for other jobs and promotion.

We have a Disability Working Group whose remit includes raising awareness of disability-related issues across the organisation, and a range of training and development materials to explore disability issues in the workplace have been developed including e-learning modules and a video about working in the British Council with a disability.

The British Council's Integrated Equality Scheme outlines how we promote disability equality (and gender and race equality) across all areas of our work worldwide, and our website contains full details of our scheme, related action plans and progress reports ([www.britishcouncil.org/home-diversity-what-we-do.htm](http://www.britishcouncil.org/home-diversity-what-we-do.htm)). We have established a Disability Advisory Panel, drawn from people with a wide range of personal and/or professional experience of disability, who meet with us face to face twice a year to advise and share good practice about disability equality.

Across our global network we continue to mark the annual UN International Day of Disabled Persons by a wide range of activities involving disabled people and decision-makers.

## 8 Equal opportunity and environmental issues

Reports on our equal opportunity and diversity commitment and environmental policy can be found in the annual report on pages 85 and 86.

## Consultation with employees

Our managers are responsible for consulting with unions and associations, and also for communicating with and consulting staff directly.

The British Council recognises advantages in its staff joining trade unions and/or staff associations, and taking part in their activities. For staff overseas, there are mechanisms for consulting staff that reflect local practice and employment legislation and in the UK the British Council Partnership Agreement facilitates regular consultation and negotiation between Trade Union Side and management on issues affecting British Council staff.

The British Council produces a range of internal communications to inform and involve our staff. A monthly bulletin of strategic and management information is sent by e-mail to regional and country directors and UK managers.

The British Council publishes weekly online news and information on its BC World intranet site. We also keep staff informed through *British Council LIFE*, our quarterly print magazine, and *Horizons*, our biannual video magazine. All staff, including part-time and temporary staff, have access to e-mail and the intranet.

## 9 Remuneration report

In 2002 the Senior Civil Service (SCS) moved to a government centralised pay system. The British Council, as an executive non-departmental public body (NDPB), is not required to apply this system to its SCS equivalent staff at pay bands 10 and above. However, the British Council does mirror some of the broad principles of the system.

The British Council broadly follows the SCS pay ranges for pay band 10 and members of the Executive Board.



There are three SCS pay ranges, which are determined using the Job Evaluation of Senior Posts (JESP) system. As a general rule:

- all British Council pay band 10 jobs fall into the SCS pay band 1
- jobs on the Executive Board fall into SCS pay bands 2 and 3.

Executive Board members' annual salary increases are determined by their position in the pay band and performance rating. There are five performance ratings: outstanding; exceeds expectations; good performer; improvement/development required; and unsatisfactory. Performance is assessed on how far objectives and targets have been met or exceeded in the individual's performance agreement and how far duties have been completed to agreed standards as given in the job description. One of the five ratings is then given, which will determine the level of pay award given each year. In addition a member of the Executive Board could be eligible for a non-consolidated bonus if he or she is successful in meeting a number of targets and objectives. Details of Executive Board Remuneration are disclosed in note 6(c) to the financial statements.

An overview of retirement benefits can be found in section 2.11 and full details in note 6 to the financial statements.

## 10 Audit Committee

The Audit Committee is a sub-committee of the Board of Trustees, chaired by Alan Buckle, a non-executive Trustee. The principal functions of the committee are to report to the Board on the adequacy of the British Council's internal control, including reviewing and monitoring the embedded process of risk management, to review arrangements for compliance with regulatory and financial reporting requirements, to agree a programme for internal audit and to report on any other financial or accounting matters that the Board might specify.

## 11 Remuneration Committee

The Remuneration Committee of the British Council is a sub-committee of the Board of Trustees, chaired by the Chair of the British Council. The principal functions of the committee are to set annual performance measures and policy for total remuneration and benefits for the Chief Executive and agree his annual performance evaluation. The committee also determines the policy for remuneration of members of the Executive Board, and reviews and agrees their performance evaluation reports, ratings and eligibility for bonus. Finally, the committee considers the impact of its work on remuneration policy for the organisation as a whole and addresses any other matters referred to it by the Board.

## 12 Nominations Committee

The Nominations Committee is a sub-committee of the Board of Trustees, chaired by the Chair of the British Council. On behalf of the Board it maintains an overview of the composition of the Board of Trustees and ensures that the Trustees collectively provide the expertise and experience required for the governance of the British Council, as determined by the Board and the Royal Charter. It also leads recruitment of the Chair, Deputy Chair and Chief Executive, ensuring that these persons hold the expertise and experience required.



# Governance

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## Statement of the Trustees' responsibilities

Under the Charities Act, the Trustees are responsible for the preparation of financial statements for each financial year in the form and on the basis prescribed by regulations made by the Secretary of State for the Home Department.

The accounts are prepared on an accruals basis and must give a true and fair view of the British Council's incoming resources and application of resources during the year and of its state of affairs at the end of the year.

### In preparing those financial statements the Trustees are required to:

- observe the accounts direction issued by the Secretary of State for Foreign and Commonwealth Affairs, including the relevant accounting and disclosure requirements, select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the British Council will continue in operation.

The Trustees' responsibilities include keeping proper accounting records. These disclose with reasonable accuracy at any time the financial position of the British Council and enable it to ensure that the financial statements comply with *Accounting and Reporting by Charities: Statement of Recommended Practice* (revised 2005) (SORP) and United Kingdom Generally Accepted Accounting Practice (UK GAAP). The Trustees are also responsible for safeguarding the British Council's assets and hence for taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

The Trustees are responsible for reporting on public benefit, having regard to the guidance issued by the Charity Commission to ensure that there is clear evidence of how the aims of the British Council are carried out, through the activities undertaken for the public benefit.

Details of any related party transactions undertaken by the Trustees are detailed in note 18 to the accounts.

### Statement of the Accounting Officer's responsibilities

The Accounting Officer for the Foreign and Commonwealth Office has designated the Chief Executive as the Accounting Officer for the British Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum issued by HM Treasury and published in *Managing Public Money*.



Rt Hon. Lord Kinnock  
Chair  
22 June 2009

# Governance



## Statement on Internal Control

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the British Council's policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

I am also responsible for ensuring compliance with parliamentary requirements and to the Foreign and Commonwealth Office for the financial affairs of the British Council.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore provide only reasonable and not absolute assurance of effectiveness.

The system of internal control is based on a continuing process designed to identify and prioritise the risks to the achievement of 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.

The system of internal control has been in place in the British Council for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### Capacity to handle risk

I chair the British Council Executive Board, which has responsibility for the management of risks facing the British Council, with ultimate accountability residing with the Board of Trustees.

Specialist functions oversee the identification and management of main areas of risk, ensuring appropriate frameworks and arrangements are in place to provide for consistency across the British Council and ensuring appropriate executive sponsorship and management ownership. In addition, any new emerging risks that are considered to be significant are discussed and assigned an owner responsible for managing them.

A range of risk management training is provided to staff to ensure they are equipped to manage risks appropriate to their duties and level of authority. Guidance is updated as appropriate to take account of changes and improvements to risk and control practices.

The Board of Trustees undertakes an annual review of strategic risks facing the British Council to satisfy itself that these risks have been adequately mitigated. In addition, the Board of Trustees, through the Audit Committee, reviews the effectiveness of the risk and control processes in the organisation.

# Governance

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## Statement on Internal Control

### The risk and control framework

The primary tool for managing risk during year ended 31 March 2009 was the Business Risk Management Framework. This operated at all levels within the organisation as follows:

- Country/UK department level – process owners reported risks and opportunities at monthly Business Risk Management meetings in countries and UK departments stating the actions being taken to mitigate risks or to take the opportunities identified. A risk score process was in place to help distinguish between low-, medium- or high-level risks.
- Corporate level – high-level risks and risks that could not be resolved in a country or UK department were escalated to the regional/UK directorate to resolve or seek appropriate support.
- Exceptional risks and opportunities from the region or UK directorate were escalated to the Executive Board who formally considered reports on these risks and strategic risks quarterly.

As part of the process of continual improvement and in response to significant developments in the external environment and major changes planned to the British Council's business over the next few years, a Risk Board was established during the year to provide added assurance to the Executive Board that risks to the achievement of the British Council's objectives are being managed effectively.

The Risk Board is chaired by Deputy Director Operations and made up of senior managers from operational departments and support services. The Risk Board meets quarterly to review the assessment of risks, consider whether the existing and proposed mitigation is sufficient, and make recommendations for improving mitigation where necessary. A report from the Risk Board highlighting significant issues and concerns is considered by the Executive Board at its risk meeting each quarter.

The Business Risk Management Framework, which has been the primary tool for risk management for the past seven years, was replaced from April 2009 by two new frameworks: the Enterprise Risk Management Framework (ERMF) and the Financial Control Compliance Framework (FCCF). These changes are also part of a process of continual improvement as well as in response to the British Council's changing risk profile.

The FCCF will support the Risk Board and the Executive Board in ensuring financial control and compliance with financial policies and procedures across the British Council through self-certification at both country and UK department levels.

The ERMF comprises a 'bottom-up' process for identifying, assessing, managing and reporting on operational risks by countries and UK departments, complemented by a 'top-down' process for managing strategic risks. Led by the Head of Enterprise Risk Management, the ERM team brings together specialist expertise in security, business continuity planning, health and safety, fire safety and insurance to strengthen risk management.

The new arrangements will strengthen the control framework, improve visibility of risks across the British Council, and enable proactive management of risk at all levels in the organisation.

The Executive Board, through its risk management strategy, promotes open and honest reporting of incidents, risks and hazards.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the British Council and as professionals working to professional codes of conduct.



## Risk identification, management and ownership

The Executive Board is responsible for establishing and maintaining the system of internal control, for reviewing its effectiveness and taking necessary actions to remedy failings or weaknesses.

The Executive Board receives a monthly financial risk report and quarterly strategic risk report detailing risks by exception and issues requiring resolution along with planned actions to manage those risks effectively.

## Assessment of current risk

During much of the year, the management of risk was focused on a number of major strategic and operational risks, including the strengthening of the control and assurance framework, the regularisation of the British Council's status overseas, developing measures to safeguard children involved in British Council programmes and ensuring the continued safety and security of staff, customers and partners, particularly in difficult operating environments.

Minimising potential fall-out from the current economic and financial crisis became a major focus of risk management for the Executive Board and other senior managers during the latter half of 2008–09. Initially, a review was undertaken of the British Council's exposure to financial risks, including possible bank failure, trade debtor default, problems facing principal suppliers and exchange rate volatility. Further measures were then taken to model the impact of the economic slowdown on income projections to improve credit monitoring and debt collection, and to develop policies for limiting the impact of foreign exchange fluctuations. Mitigating the impact of the current crisis will continue to be a major focus of risk management during the coming year.

Events such as a sudden crisis or conflict in a region, and natural disaster in major or influential markets continue to pose a threat to our programme delivery, staff and partners. The British Council has a detailed programme of security-related work and contingency plans that are regularly reviewed, updated and reported to the Executive Board.

Priority is given to ensuring the safety of staff, customers and partners by a combination of risk assessments, briefing, training, and the use of appropriate protective measures.

The British Council's status in many countries is under review to enable the development of its income-generating activities in line with strategic ambitions. Status arrangements need to ensure that the British Council compliance requirements meet standards of fair competition. A thorough country-by-country status review is being conducted with a completion date of 31 December 2009. Implementation of status solutions in priority countries has begun and will roll out to all countries over the next three years. To date, status has been reviewed in 49 operations, and is complete in 28 of these territories.

The organisation remains vulnerable where activities are in cash economies and, as a consequence, there may be a specific risk of loss through fraud. The responsibility to minimise any consequential loss is taken very seriously. Enhancements to processes and controls are introduced regularly to prevent and detect fraud.



# Governance

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## Statement on Internal Control

The British Council is subject to a range of UK legislation and government guidelines relating to information management, including the Data Protection, Freedom of Information, and Public Records Acts and the Government Data Handling Review. In December 2008, the British Council suffered a loss of data in transit and, at the beginning of April 2009, was subject to enforcement action by the Information Commissioner in respect of this loss. An undertaking was given to the Information Commissioner and this set out our commitment to ensure that each of the Data Protection principles was followed.

The British Council has recognised information risk as an issue it must address and has started to introduce a new compliance regime throughout the organisation in accordance with the commitments set out in its published *Information Charter*, and the undertaking given to the Information Commissioner. A more robust mechanism to improve the organisation's ability to monitor and manage information risk has already been introduced and information management indicators are being integrated into the internal audit framework. Steps have also been taken to provide assurance that those with whom we share information and those handling information on our behalf safeguard that information appropriately.

In the coming months, this new compliance regime will implement protective marking mechanisms aligned with new processes for the secure transfer, destruction and disposal of information. Over time, new roles and responsibilities for information assurance are to be introduced throughout the organisation and training for these roles will be specific and mandatory. An information assurance committee will be established to monitor our compliance with relevant legislation and ensure progress on the implementation of planned improvements, which will be reported to the Risk Board. A programme of work to share and learn best practice from others will also be initiated.

The British Council must comply with UK Reporting standards, the Charity Commission *Statement of Recommended Practice* and HM Treasury guidelines. Staff are regularly trained on changes to regulations to ensure appropriate skills are in place to achieve compliance to standards and regulations.

The British Council continues to strengthen governance and risk management and is confident that this will continue to deliver an effective system of internal control.



## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and members of the Executive Board who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Executive Board, the Audit Committee and the Risk Board. A plan to address identified weaknesses and ensure continual improvement of the system is in place.

The effectiveness of the system of internal control was maintained and reviewed through:

- comprehensive financial reporting processes, within the organisation and up to the Executive Board, including an annual budget cycle with interim forecasts, financial planning, performance review, exception reporting and monthly business reviews
  - major policies and procedures, to support the flow of timely, relevant and reliable information across the organisation
  - formalised authorisation processes, with the maintenance of delegated authorities covering financial transactions and contracts, with clearly defined criteria when Executive Board approval is required
  - a formalised approval process in line with the delegated authorities of any changes that are proposed to the existing controls and systems
- year-end self-certification by all country and UK directors giving assurance that our organisation's accounting procedures have been understood and adhered to in the country/department
  - the work of Internal Audit, which provides an independent and objective opinion on the adequacy of processes on risk, control, governance and finance systems
  - the Audit Committee, which provides oversight and guidance where necessary on the work of Finance and Internal Audit, providing an interface between the organisation and the National Audit Office
  - the work of the National Audit Office, as external auditor, in forming an opinion on the financial statements and in reporting the results of their value for money examination.

Based on the above, I am satisfied that I can sign the Statement on Internal Control.

**Martin Davidson** CMG  
Chief Executive  
22 June 2009

**Rt Hon. Lord Kinnock**  
Read and accepted  
22 June 2009

# Governance

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## Independent Auditor's Report to the Trustees of the British Council

I have audited the financial statements of the British Council for the year ended 31 March 2009 under the Charities Act 2006. These comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

### **Respective responsibilities of the Board of Trustees, Chief Executive and Auditor**

The Board of Trustees and Chief Executive as Accounting Officer are responsible for preparing the annual report and the financial statements in accordance with the Charities Act 2006 and directions made by the Secretary of State for Foreign and Commonwealth Affairs and for ensuring the regularity of financial transactions funded by Parliamentary grant-in-aid. These responsibilities are set out in the Statement of Accounting Officer's responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with *International Standards on Auditing (UK and Ireland)*.

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Charities Act 2006 and directions made by the Secretary of State for Foreign and Commonwealth Affairs. I report to you whether, in my opinion, the information given in the 'Financial review' commentary within the annual report, is consistent with the financial statements. I also report whether, in all material respects, the expenditure, income and resources funded by grant-in-aid have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities that govern them.

In addition, I report to you if the British Council has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the British Council's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the British Council's corporate governance procedures or its risk and control procedures.



I read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### Basis of audit opinions

I conducted my audit in accordance with *International Standards on Auditing (UK and Ireland)* issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Trustees and Chief Executive as Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the British Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence 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, income and resources funded by grant-in-aid have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities that govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Charities Act 2006 and directions made by the Secretary of State for Foreign and Commonwealth Affairs, of the state of the British Council's affairs as at 31 March 2009 and of its incoming resources and application of resources for the year then ended
- the financial statements have been properly prepared in accordance with the Charities Act 2006 and directions made by the Secretary of State for Foreign and Commonwealth Affairs
- information, which comprises the 'Financial review' commentary, included within the annual report, is consistent with the financial statements.

### Opinion on regularity

In my opinion, in all material respects, the expenditure and income funded by Parliament have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities that govern them.

I have no observations to make on these financial statements.

**Amyas C. E. Morse**  
Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria, London SW1W 9SS



# Accounts

## Consolidated Statement of Financial Activities for the year ended 31 March 2009

		Unrestricted	Restricted	2008–09	2007–08
	Notes	£'000	£'000	Total £'000	Total £'000
<b>Incoming resources</b>					
Grants receivable	3	209,429	–	209,429	197,831
Fees and gross income from services and other sources	4	313,228	–	313,228	250,502
Interest earned		2,469	–	2,469	2,600
Funding for contract activity	2.14		119,698	119,698	113,654
<b>Total incoming resources</b>		<b>525,126</b>	<b>119,698</b>	<b>644,824</b>	<b>564,587</b>
<b>Resources expended</b>					
<b>Charitable expenditure</b>					
<b>Cost of activities and grants made in furtherance of the objects:</b>					
Developing a wider knowledge of the English language		128,213	4,511	132,724	120,774
Encouraging educational co-operation and promoting the advancement of education		309,601	104,067	413,668	370,786
Encouraging cultural, scientific and technological co-operation		42,348	263	42,611	37,629
Building capacity for social change		16,068	10,857	26,925	25,103
Governance costs		5,651	–	5,651	3,110
<b>Total resources expended</b>	5	<b>501,881</b>	<b>119,698</b>	<b>621,579</b>	<b>557,402</b>
(Gain)/loss on revaluation of assets		(8,686)	–	(8,686)	
Notional cost of capital	8	6,298	–	6,298	4,343
<b>Total resources expended including notional costs</b>		<b>499,493</b>	<b>119,698</b>	<b>619,191</b>	<b>561,745</b>
<b>Net incoming/(outgoing) resources for the year after notional costs</b>		<b>25,633</b>	<b>–</b>	<b>25,633</b>	<b>2,842</b>
Reversal of notional cost		6,298	–	6,298	4,343
<b>Net incoming/(outgoing) resources for the year after reversal of notional costs</b>		<b>31,931</b>	<b>–</b>	<b>31,931</b>	<b>7,185</b>
Actuarial gain/(loss) recognised in the retirement benefits scheme	15	(71)	–	(71)	1,565
Valuation account movement – on general fixed assets	15	71,065	–	71,065	44
<b>Net movement in funds</b>		<b>102,925</b>	<b>–</b>	<b>102,925</b>	<b>8,794</b>
Funds brought forward at 1 April 2008		128,472	–	128,472	119,678
<b>Funds carried forward at 31 March 2009</b>		<b>231,397</b>	<b>–</b>	<b>231,397</b>	<b>128,472</b>

The British Council's non-consolidated total incoming resources for 2008–09 were £644.8 million; total resources expended were £612.9 million; and total net incoming resources after reversal of notional costs were £31.9 million. Restricted activity includes £44 million of income and expenditure relating to projects carried out on behalf of the European Union. There are no other recognised gains and losses other than those passing through the Statement of Financial Activities. All activities are continuing. The notes on pages 123 to 144 form part of these accounts.

# Accounts



Libyan teachers prepare for English lessons.

© British Council

## Consolidated Balance Sheet As at 31 March 2009

	Notes	Group		British Council	
		2009 £'000	2008 £'000	2009 £'000	2008 £'000
<b>Fixed assets</b>					
Intangible fixed assets	9	4,643	3,761	4,643	3,761
Tangible fixed assets	10	176,115	98,086	176,115	98,086
Investment	11	234	157	234	157
		<b>180,992</b>	<b>102,004</b>	<b>180,992</b>	<b>102,004</b>
<b>Current assets</b>					
Stock		235	341	235	341
Debtors	12	116,009	72,844	117,181	72,987
Cash at bank and in hand		154,953	110,714	153,742	110,512
		<b>271,197</b>	<b>183,899</b>	<b>271,158</b>	<b>183,840</b>
<b>Liabilities: amounts falling due within one year</b>					
Creditors	13	(206,882)	(140,644)	(206,855)	(140,597)
Short-term provisions for liabilities and charges	14a	(2,243)	(8,228)	(2,243)	(8,228)
<b>Net current assets</b>		<b>62,072</b>	<b>35,027</b>	<b>62,060</b>	<b>35,015</b>
<b>Total assets less current liabilities</b>		<b>243,064</b>	<b>137,031</b>	<b>243,052</b>	<b>137,019</b>
<b>Liabilities: amounts falling due after more than one year</b>					
Long-term provisions for liabilities and charges	14b	(16,486)	(12,921)	(16,486)	(12,921)
<b>Net assets excluding retirement benefits scheme asset</b>		<b>226,578</b>	<b>124,110</b>	<b>226,566</b>	<b>124,098</b>
Retirement benefits scheme asset/(deficit)	6(g)	4,819	4,362	4,819	4,362
<b>Net assets</b>		<b>231,397</b>	<b>128,472</b>	<b>231,385</b>	<b>128,460</b>
<b>Funds and reserves</b>					
Capital account		104,990	95,390	104,990	95,390
Revaluation account		75,768	6,457	75,768	6,457
General account		45,820	22,263	45,808	22,251
Retirement benefits scheme reserve		4,819	4,362	4,819	4,362
	15	<b>231,397</b>	<b>128,472</b>	<b>231,385</b>	<b>128,460</b>

Approved by the Board of Trustees and signed on its behalf on 22 June 2009.

**RT HON. LORD KINNOCK**  
Chair Trustee

**MARTIN DAVIDSON CMG**  
Chief Executive Accounting Officer

The notes on pages 123 to 144 form part of these accounts.

# Accounts

In the next two years  
we aim to invest  
up to £28 million in  
our future

## Consolidated Cash Flow Statement for the year ended 31 March 2009

	2008-09		2007-08	
	£'000	£'000	£'000	£'000
<b>Net incoming/(outgoing) resources for the year</b>		<b>31,931</b>		<b>7,185</b>
Less: contribution made to scheme	(528)	(528)	(517)	(517)
		<b>31,403</b>		<b>6,668</b>
<b>Add/(deduct):</b>				
Interest receivable	(2,469)		(2,600)	
Depreciation charge including impairments	10,254		10,825	
Gain on revaluation of assets	(8,686)		–	
Loss on sale of tangible fixed assets	(440)		(281)	
Unrealised loss/(gain) on exchange	2,420		(827)	
Increase in stocks	106		(18)	
(Increase)/decrease in debtors	(43,165)		(11,349)	
(Decrease)/increase in creditors	66,238		14,553	
Movement in provisions including short-term element	(4,840)	19,418	2,681	12,984
<b>Net cash inflow from operating activities</b>		<b>50,821</b>		<b>19,652</b>
<b>Returns on investments and servicing of finance</b>				
Interest receivable	2,469		2,600	
		<b>2,469</b>		<b>2,600</b>
<b>Capital expenditure and investments activities</b>				
Payments to acquire intangible fixed assets	(1,446)		(641)	
Payments to acquire tangible fixed assets	(8,985)		(7,273)	
Receipts from sales of tangible fixed assets	1,380		4,715	
		<b>(9,051)</b>		<b>(3,199)</b>
<b>Increase/(decrease) in cash</b>		<b>44,239</b>		<b>19,053</b>
Cash at 1 April 2008		110,714		91,661
<b>Cash at 31 March 2009</b>		<b>154,953</b>		<b>110,714</b>

These financial statements were authorised for issue by the Chair of the Trustees and the Chief Executive for issue on the date that the Comptroller and Auditor General signed the Audit Certificate.

The notes on pages 123 to 144 form part of these accounts.



## Notes to the accounts for the year ended 31 March 2009

### 1 BASIS OF PREPARATION AND CONSOLIDATION

The accounts have been prepared under the historical cost convention modified by the inclusion of certain fixed assets at their current cost. They comply with *Accounting and Reporting by Charities: Statement of Recommended Practice* (revised 2005) (the SORP), and applicable accounting standards. They are also prepared to comply with the accounts direction issued by the Secretary of State for Foreign and Commonwealth Affairs.

The British Council's financial statements consolidate the results of its wholly owned subsidiary, BC Trading International Ltd, under merger accounting.

Intra-group transactions are eliminated on consolidation and all income and expenditure figures in the Statement of Financial Activities relate to external transactions only.

The results of a joint venture, IELTS Inc., in which the British Council has a long-term interest and over which it exercises joint control, have not been consolidated as they are not material.

### 2 ACCOUNTING POLICIES

#### 2.1 Fees and income

Fees and income are credited to the Statement of Financial Activities when they are earned.

#### 2.2 Grants receivable and payable

Grants receivable and payable from own resources are taken to account when due.

#### 2.3 Basis of allocation of expenditure

Charitable expenditure comprises all expenditure directly relating to charitable activities of the British Council, resources expended on managing and administering the charity and to the support infrastructure, in the UK and overseas, which enables these activities to take place.

Governance costs are directly attributable costs that represent salaries, overheads and expenditure related to central departments involved in the management of the business

including the Secretariat, Internal Audit, Legal and Communications departments.

Support costs have been allocated to our charitable objects based on a combination of corporate drivers and *pro rata* basis on total expenditure. Corporate drivers (such as income, staff numbers, square metreage, etc.) have been applied to the activity 'developing a wider knowledge of the English language'. The balance has then been apportioned between the remaining three categories of charitable activity on a *pro rata* basis.

Irrecoverable VAT is allocated to the principal areas in which it is incurred.

The British Council as a registered charity is exempt from corporation tax under Section 505 ICTA 1988. BC Trading International Ltd did not incur corporation tax in 2008–09.

#### 2.4 Development of new products and services

The cost of development of new products and services is taken to expenditure in the year in which it is incurred.

#### 2.5 Valuation, capitalisation and depreciation of intangible and tangible fixed assets

Software licences, valued at cost, have been treated as intangibles. All intangible fixed assets are depreciated using the straight-line method over ten years.

All tangible fixed assets are included at their value to the business by reference to current costs, except the permanent collection of works of art, which is included at the cost of acquisition, and land and property, which are included at periodic valuations.



# Accounts

Grants receivable represent approximately 32 per cent of our income

Notes to the accounts  
for the year ended 31 March 2009

Freehold and long-leasehold land and buildings were valued externally on the basis of open market value for existing use as at 31 March 2009. Subsequent additions will be included at cost.

Land and buildings revaluation on a yearly basis is not practicable, because this category of fixed assets is held globally and there are no indices that would account for this meaningfully.

All tangible fixed assets, other than freehold land, the permanent collection of works of art and assets in progress, are depreciated using the straight-line method over their estimated useful lives as follows:

Freehold and long-leasehold buildings	30–50 years
Building improvements	5–25 years
Furniture and equipment	4 years
Plant and machinery	7 years
Motor vehicles	4–7 years
Major IT projects	4–5 years

Major IT projects include system developments. The useful life for each has been set to end on the expected date of replacement.

Fixed assets costing less than £3,000 are charged to the income and expenditure account in the year of purchase.

## 2.6 Investments

Fixed-asset investments are stated at cost less provision for diminution in value.

## 2.7 Stocks

Stocks of items for resale are valued at the lower of historical cost and net realisable value. Replacement cost is not materially different from historical cost. Purchases of consumable items are taken to expenditure as incurred.

The British Council does not recognise any value for work-in-progress for contract and restricted funds.

## 2.8 Gifts in kind

Companies, organisations and individuals have provided the use of facilities, equipment and premises mainly supplied at no cost to the donor to facilitate specific activities organised by the British Council. The value of these gifts, which is not considered material, is not included in the accounts.

## 2.9 Leases

Land and buildings held under finance leases are capitalised and included in tangible fixed assets at fair value. Obligations related to finance leases, net of finance charges in respect of future periods, are included as appropriate under creditors: amounts falling due within or after more than one year. The interest element of the rental obligation is allocated to accounting periods during the lease term to reflect a constant rate of interest on the remaining balance of the obligation for each accounting period. Rentals under operating leases are charged to expenditure as incurred.

## 2.10 Exchange differences

Transactions in foreign currencies are recorded in sterling on a monthly basis at rates approximating to the average rate of exchange for the month. Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling on the balance sheet date. All exchange differences incurred in the year are taken to the Statement of Financial Activities.

## 2.11 Retirement benefits

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded. The British Council recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability to pay future benefits is a charge on the PCSPS rather than the British Council. In respect of the defined contribution schemes, the British



## Notes to the accounts for the year ended 31 March 2009

Council recognises the contributions payable for the year in accordance with *Financial Reporting Standard 17*.

There is also a defined benefit scheme, which is funded and contributory, for UK-appointed employees formerly employed by the Central Bureau for Educational Visits and Exchanges. The expected cost of providing pensions as calculated periodically by independent actuaries is charged so as to spread the cost over the expected average remaining service lives of current employees.

### **2.12 Structured retirement and terminal gratuity schemes**

Provision is made for future liabilities on the basis of costs estimated at the balance sheet date in respect of payments to employees in the UK who have retired, or are expected to retire early as part of structured retirement schemes. Payments are due from the British Council from the date of early retirement until age 60 when the liability is assumed by the Principal Civil Service Pension Scheme.

In many overseas offices the British Council operates terminal gratuity schemes for its locally engaged employees. The value of the final payment is based on final salary and length of employment. Full provision is made in the accounts for the British Council's liability on the basis of service accrued as at the balance sheet date.

### **2.13 Capital account and revaluation account**

Each year an amount equivalent to the costs expended by the British Council on tangible fixed assets less depreciation or impairment, adjusted for disposals, is transferred to or from the capital account.

All current cost accounting adjustments to reflect modified historic cost accounting are recorded in, or transferred to, a revaluation account. In addition any upward revaluation adjustments for existing properties are held in the revaluation account. When a property is sold the revaluation adjustment is released

to capital account to offset the adjustment for disposals mentioned above.

### **2.14 Revenue and expenditure under contracts or agreements (restricted funds)**

These relate to activities falling within the objects of the British Council executed by it on behalf of third parties under contract or agreement. The contract or agreement will specify the purpose of the activities. The British Council may collect receipts and pass them on to a third party, or monies may be disbursed by the British Council and subsequently reimbursed by the client.

Expenditure on activities under contracts or agreements is brought to account when incurred. Revenue is recognised as an incoming resource on the Statement of Financial Activities as an amount equivalent to the expenditure on the activity.

The difference between receipts and expenditure is carried forward in the balance sheet as debtor or creditor balances depending on the status of the balance for each individual contract or overall client agreement.

# Accounts

Over the next two years we aim to increase our total earned income by 11 per cent

Notes to the accounts  
for the year ended 31 March 2009

## 3 GRANTS RECEIVABLE

The principal grant-in-aid is received from the Foreign and Commonwealth Office. There are also specific grants to deliver education activity on behalf of the education departments of England, Wales and Northern Ireland.

	2008-09		2007-08	
	£'000	£'000	£'000	£'000
<b>Foreign and Commonwealth Office</b>				
Revenue grant-in-aid	194,863		186,962	
Capital grant-in-aid	6,100		2,500	
	<b>200,963</b>		<b>189,462</b>	
<b>Education grants</b>				
Grants receivable from:				
Department for Children, Schools and Families	6,941		5,437	
Department for Innovation, Universities and Skills	680		2,000	
Department of Education, Northern Ireland	359		359	
Scottish Executive Education Department	280		373	
Department for Children, Education, Lifelong Learning and Skills (Wales)	206		200	
<b>Total grants receivable</b>	<b>8,466</b>		<b>8,369</b>	
	<b>209,429</b>		<b>197,831</b>	

## 4 FEES AND INCOME FROM SERVICES AND OTHER INCOME

	2008-09		2007-08	
	£'000	£'000	£'000	£'000
<b>Fees, sponsorship and other income received from activities in furtherance of the objects:</b>				
Developing a wider knowledge of the English language	116,522		96,086	
Encouraging educational co-operation and promoting the advancement of education	187,739		145,205	
Encouraging cultural, scientific and technological co-operation	4,701		2,350	
Building capacity for social change	3,367		4,578	
Miscellaneous income	899		2,283	
	<b>313,228</b>		<b>250,502</b>	

The analysis of fees and income from services has been changed to more closely reflect how income generated relates to our charitable objects and activities; the 2007-08 comparatives have been restated in line with this new analysis.

Included in the above is £4.4 million income received in relation to European Union projects.

# Accounts



Notes to the accounts  
for the year ended 31 March 2009

Beautiful Science in action. © Kiran Ridley

## 5 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Grants payable	Staff costs	Other direct costs	Support costs	2008–09 total	2007–08 total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost of activities in furtherance of the objects:</b>						
Developing a wider knowledge of the English language	240	71,532	32,840	28,112	132,724	120,774
Encouraging educational co-operation and promoting the advancement of education	9,514	142,691	224,234	37,229	413,668	370,786
Encouraging cultural, scientific and technological co-operation	3,069	14,196	20,228	5,118	42,611	37,629
Building capacity for social change	479	4,352	20,152	1,942	26,925	25,103
Governance costs	–	3,715	1,936	–	5,651	3,110
<b>Total</b>	<b>13,302</b>	<b>236,486</b>	<b>299,390</b>	<b>72,401</b>	<b>621,579</b>	<b>557,402</b>

As a result of reviewing fees and income in note 4 we have made a change to the categorisation of some activity into the 'encouraging educational co-operation and promoting the advancement of education' objective; this recategorisation gives a clearer representation of our activities; the 2007–08 comparatives have been amended in line with this new analysis.

Included in total resources expended are amounts in respect of:

	2008–09	2007–08
	£'000	£'000
Audit services	167	134
Taxation advice	722	475
Consultancy	372	148
Financial advice and accountancy	208	160
	<b>1,469</b>	<b>917</b>
Payments for travel, subsistence, etc.	10,365	7,756
Property rental costs relating to operating leases	21,124	18,544
Depreciation charged	10,254	10,824



# Accounts

Over the next two years we will invest in ways to create sustainable, more flexible ways of working

Notes to the accounts  
for the year ended 31 March 2009

## 6 STAFF EMOLUMENTS AND RELATED COSTS

### (a) Total staff costs:

	2008-09 £'000	2007-08 £'000
Wages and salaries	209,839	166,772
Social security costs	10,891	13,309
Other pension costs	14,584	11,011
Early retirement costs	1,172	3,202
	<b>236,486</b>	<b>194,294</b>

(b) The average monthly number of employees during the year was 7,484 analysed as follows:

	2008-09 Number of staff	2007-08 Number of staff
--	-------------------------------	-------------------------------

#### Home

Management and administrative (senior managers – 130)	1,094	1,010
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#### Overseas

Management and administrative (senior managers – 118)	4,575	4,560
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Teachers	1,815	1,825
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	<b>7,484</b>	<b>7,395</b>
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It is not practicable to calculate full-time equivalents as casual staff are employed by the British Council at various times during the year. Casual staff are excluded from the above figures.

(c) The Chief Executive's total actual emoluments plus pension were £229,729 comprising salary and travel allowance of £187,787 and pension contributions of £41,942. The Chief Executive is a member of the Principal Civil Service Pension Scheme.

(i) The following number of other employees (excluding members of the Executive Board) received annual remuneration falling within the following ranges:

	2008-09 Number of staff	2007-08 Number of staff
£40,001–£50,000	109	130
£50,001–£60,000	80	61
£60,001–£70,000	27	24
£70,001–£80,000	14	10
£80,001–£90,000	6	4
£90,001–£100,000	6	5
£100,001–£110,000	1	1

Of staff with remuneration over £60,000, four are members of a defined contribution pension scheme and 50 are members of a defined benefit pension scheme. Contributions of staff in this range to defined contribution pension schemes during the year were £4,351.

(ii) Emoluments (salaries, including allowances and performance bonuses subject to UK taxation) paid to members of the Executive Board (EB) and their pension entitlements are set out on the next page. All those individuals are members of the Principal Civil Service Pension Scheme. EB members are appointed on a fixed-term contract of three years. The notice period for termination, for either side, is three months. Early termination, other than for misconduct, may result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

# Accounts



## Notes to the accounts for the year ended 31 March 2009

Name and position	Emoluments 2007–08 (in bands of £5,000)	Emoluments 2008–09 (in bands of £5,000)	Accrued pension as at 31/03/09 (in bands of £5,000)	Accrued lump sum as at 31/03/09 (in bands of £5,000)	Real increase in pension (in bands of £2,500)	Real increase in lump sum (in bands of £2,500)	CETV at 31/03/08 (to the nearest £1,000)*	CETV at 31/03/09 (to the nearest £1,000)	Real increase in CETV funded by employer (to the nearest £1,000)
<b>EXECUTIVE BOARD</b>									
Davidson, M. S. Chief Executive	160–165	185–190	50–55	155–160	0–2.5	2.5–5	939	1,032	17
Robson, M. W. Director Operations	50–55 (full year equivalent 125–130)	135–140	0–5	n/a	2.5–5	n/a	22	52	12
Sarkar, B. Director Resources	45–50 (full year equivalent 105–110)	115–120	0–5	n/a	0–2.5	n/a	9	29	16
Stephens, C. A. Director Innovation	110–115	135–140	60–65	180–185	7.5–10	22.5–25	1,106	1,367	150
Worne, J. P. Director Strategy and External Relations	50–55 (full year equivalent 105–110)	115–120	20–25	n/a	2.5–5	n/a	216	271	32

CETV = cash equivalent transfer value

\*The figure may be different for the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

(d) Travel expenses reimbursed to two members of the Board of Trustees amounted to £3,084. No other connected person has or has had during the year a significant interest in any contract with the British Council.

(e) Pension benefits are provided through Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes: either a 'final salary' scheme (classic, premium, or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic,

premium, classic plus and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good-quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

### (i) Classic, premium, classic plus and nuvos schemes

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium, classic plus and nuvos. Benefits in classic accrue at the rate

# Accounts

## Notes to the accounts for the year ended 31 March 2009

of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In nuvos a member builds up a pension based on his or her pensionable earnings during his or her period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of his or her pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

### **(ii) Partnership pension account**

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between three per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where he or she does make contributions, the employer will match these up to a limit of three per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when he or she reaches pension age, or immediately on ceasing to be an active member of the scheme if he or she is already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service Pension arrangements can be found on the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

### **Cash equivalent transfer values**

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by the 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 his or her former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of his or her total membership of the pension scheme, not just his or her service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement that the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of him or her purchasing additional pension benefits at his or her 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 reduction to benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are taken.

### **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.



## Notes to the accounts for the year ended 31 March 2009

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded, multi-employer-defined benefit scheme but the British Council is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2008–09, employer's contributions of £8,313,339 were payable to the PCSPS (2007–08: £8,521,627) at one of four rates in the range 17.1 per cent to 25.5 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2009–10, the rates will be in the range 16.7 per cent to 24.3 per cent. The contribution rates are set to meet the cost of the benefits accruing during 2008–09 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account – a stakeholder pension with an employer contribution. Employer's contributions of £46,895 were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from three to 12.5 per cent of pensionable pay. The employer also matches employee contributions up to three per cent of pensionable pay. In addition, employer contributions of £3,702 – 0.8 per cent of pensionable pay – were payable to the PCSPS to cover the cost of the future provision of lump-sum benefits on death in service and ill-health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £9,336. Contributions prepaid at that date were nil.

Two individuals retired early on ill-health grounds. The total additional annual pension granted to them amounted to £5,890 (2007–08: no early retirements).

(f) The British Council operates a number of insured schemes for overseas appointed staff. None of these schemes is of a significant size.

(g) The British Council operates a defined benefit scheme for UK-appointed employees formerly employed by the Central Bureau for Educational Visits and Exchanges (CBEVE). *Financial Reporting Standard 17 Retirement Benefits* have been adopted.

The scheme is closed to new entrants. As a consequence the current service cost calculated under the projected unit method can be expected to increase over time, as the average age of the membership increases. A preliminary actuarial valuation was carried out at 1 April 2008 and updated to 31 March 2009 by a qualified Actuary, independent of the scheme's sponsoring employer. The major assumptions used by the Actuary are shown below.

The British Council currently pays contributions at the rate of 35.4 per cent of pensionable pay plus £343,000 a year. Member contributions are payable in addition at the rate of five per cent of pensionable pay.

### Present values of scheme liabilities, fair value of assets and surplus/(deficit)

	2009	2008	2007
	£'000	£'000	£'000
Fair value of scheme assets	16,032	18,109	17,045
Present value of scheme liabilities	11,213	13,747	14,765
Surplus/(deficit) in scheme	4,819	4,362	2,280
Unrecognised surplus	3,541	3,052	2,280
Asset/(liability) to be recognised	1,278	1,310	–
Deferred tax	–	–	–
<b>Net asset/(liability) to be recognised</b>	<b>–</b>	<b>–</b>	<b>–</b>



# Accounts

Notes to the accounts  
for the year ended 31 March 2009

## Reconciliation of opening and closing balances of the present value of the scheme liabilities

	2009	2008
	£'000	£'000
Scheme liabilities at start of period	13,747	14,765
Current service cost	126	233
Interest cost	728	747
Contributions by scheme participants	27	29
Actuarial losses/(gains)	(3,255)	(529)
Benefits paid and death in service insurance premiums	(160)	(1,498)
Past service costs	–	–
Liabilities assumed in a business combination	–	–
Losses/(gains) on curtailments	–	–
Liabilities extinguished on settlements	–	–
<b>Scheme liabilities at end of period</b>	<b>11,213</b>	<b>13,747</b>

## Reconciliation of opening and closing balances of the fair value of the scheme assets

	2009	2008
	£'000	£'000
Fair value of scheme assets at start of period	18,109	17,045
Expected return on scheme assets	854	980
Actuarial gains/(losses)	(3,326)	1,036
Contributions by the British Council	528	517
Contributions by scheme participants	27	29
Benefits paid and death in service insurance premiums	(160)	(1,498)
Assets acquired in a business combination	–	–
Assets distributed on settlements	–	–
<b>Fair value of scheme assets at end of period</b>	<b>16,032</b>	<b>18,109</b>

The actual return on the scheme assets over the period ending 31 March 2009 was a loss of £2,472,000.

## Total expense recognised in the Statement of Financial Activities

	2009	2008
	£'000	£'000
Current service cost	126	233
Interest cost	728	747
Expected return on scheme assets	(854)	(980)
Past service cost	–	–
Losses/(gains) on curtailments	–	–
Losses/(gains) on settlements	–	–
<b>Total expense recognised in the Statement of Financial Activities:</b>	<b>–</b>	<b>–</b>

# Accounts



Notes to the accounts  
for the year ended 31 March 2009

## Statement of total recognised gains and losses

	2009	2008
	£'000	£'000
Difference between expected and actual return on scheme assets: Amount: gain/(loss)	(3,326)	1,036
Experience gains and losses arising on the scheme liabilities: Amount: gain/(loss)	1,764	515
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: Amount: gain/(loss)	1,491	14
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable): Amount: gain/(loss)	(71)	1,565
Effect of limit on amount of surplus recognised due to some of the surplus not being recognisable: Amount: gain/(loss)	(489)	(772)
<b>Total amount recognised in statement of total recognised gains and losses: Amount: gain/(loss)</b>	<b>(560)</b>	<b>793</b>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of *FRS17* is £1,957,000.

### Assets

	2009	2008	2007
	£'000	£'000	£'000
Equity	8,513	9,616	9,153
Bonds	3,527	3,984	3,494
Property	2,950	3,332	3,563
Cash	1,042	1,177	835
<b>Total assets</b>	<b>16,032</b>	<b>18,109</b>	<b>17,045</b>

None of the fair values of the assets shown above include any of the British Council's own financial instruments or any property occupied by, or other assets used by, the British Council.

### Assumptions

	2009	2008	2007
	% per annum	% per annum	% per annum
Inflation	2.75	2.75	3.25
Salary increases	4.75	4.00	4.50
Rate of discount	6.04	5.32	5.40
Allowance for revaluation of deferred pensions of RPI or five per cent p.a. if less	2.75	2.75	3.25
Allowance for commutation of pension for cash at retirement	None	None	None

# Accounts

Notes to the accounts  
for the year ended 31 March 2009

## The mortality assumptions adopted at 31 March 2009 imply the following life expectancies:

Male retiring at age 60 in 2009	28.7
Female retiring at age 60 in 2009	31.4
Male retiring at age 60 in 2029	31.0
Female retiring at age 60 in 2029	33.4

## The expected long-term rates of return applicable for each period are as follows

	2009	2008
	% per annum	% per annum
Equity	7.57	7.65
Bonds	5.32	5.40
Property	7.57	7.65
Cash	5.00	5.00
Overall for scheme	6.91	7.06

## Expected long-term rates of return

The long-term expected rate of return on cash is determined by reference to bank base rates at the balance sheet date. The long-term expected return on bonds is determined by reference to UK long-dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

## Amounts for the current and previous four years

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Fair value of scheme assets	16,032	18,109	17,045	10,849	11,328
Present value of scheme liabilities	11,213	13,747	14,765	14,957	11,983
Surplus/(deficit) in scheme	4,819	4,362	2,280	(4,108)	(655)
Experience adjustment on scheme assets	(3,326)	1,036	2,084	(426)	300
Experience adjustment on scheme liabilities	1,764	515	1,022	(3,153)	271

The best estimate of contributions to be paid by the British Council to the scheme for the period beginning after 31 March 2009 is £536,012.

## (h) Trustees

Capita ATL Pension Trustees Limited, independent Trustee to the CBEVE Scheme, was paid fees amounting to £18,268 during the year. No other Trustees of the Scheme either received or waived any emoluments during the year. Travel expenses reimbursed to one Trustee amounted to £247 (2007–08: one, £228).

# Accounts



Notes to the accounts  
for the year ended 31 March 2009

## 7 GRANTS PAYABLE

(a) The British Council gives financial support to particular programmes and activities in the form of grants to institutions and individuals.

	2008–09
Grants to institutions (2007–08: £10.990 million)	11,372
Grants to individuals (2007–08: £1.416 million)	1,930
	<b>13,302</b>

(b) The 50 largest grants to institutions were as follows:

Visiting Arts – Square Mile project <sup>1</sup>	150,000
Commonwealth Youth Exchange Council – Connect Youth	147,000
Youth Parliament of Pakistan – Active Citizens social action projects <sup>2</sup>	100,000
University of Leicester and Indian Institute of Science, Bangalore – UKIERI research major award	98,882
University of Reading and Indian Institute for Tropical Meteorology, Pune – UKIERI research major award	82,450
City University and Indian Institute of Technology Delhi – UKIERI research major award	74,721
Open University – Global Darwin Now <sup>1</sup>	62,892
University of Bradford – Education Partnerships in Africa	56,815
University of Bradford – Education Partnerships in Africa	52,127
Moscow State University – Centre of British Journalism	50,000
University of Nottingham and Industrial Toxicology Research Centre, Lucknow – UKIERI research major award	48,887
University of Essex and Centre for the Study of Developing Societies, New Delhi – UKIERI research standard award	48,592
University of Greenwich – England–Africa Partnerships	40,530
University of Nottingham – England–Africa Partnerships	43,438
University of Cambridge and Centre for Cellular and Molecular Biology, Hyderabad – UKIERI research major award	42,285
Junior Achievement Bulgaria – international final for Skills @ Work	41,131
South East Dance – project grants and screenings <sup>1</sup>	40,590
Visiting Arts – Square Mile project <sup>1</sup>	40,000
BBC World Service – collaborative writing project <sup>1</sup>	40,000
University of Coventry – Education Partnerships in Africa	39,786
Imperial College and Indian Institute of Science, Bangalore – UKIERI research major award	36,840
University of Brunel and Indian Institute of Science, Bangalore – UKIERI research standard award	34,315
Imperial College and Diabetes Research Centre, M.V. Hospital for Diabetes, Chennai – UKIERI research standard award	33,105
University of East London – England–Africa Partnerships	32,466
Open University – Global Darwin Now <sup>1</sup>	31,525



# Accounts

## Notes to the accounts for the year ended 31 March 2009

Victoria and Albert Museum – ceramics exhibition at Pera Museum <sup>1</sup>	30,000
Visiting Arts – Iran Project (workshops for young theatre producers and collaboration with UK institutions) <sup>1</sup>	30,000
British Youth Council – Connect Youth	30,000
Commonwealth Youth Exchange Council – Debate to Action	30,000
Natural History Museum – Global Darwin Now <sup>1</sup>	30,000
Association of Colleges – Prime Minister’s Initiative 2	30,000
Commonwealth Youth Exchange Council – Connect Youth	29,070
University of Teeside – England–Africa Partnerships	28,624
University of Huddersfield and Indian Institute of Petroleum, Dehradun – UKIERI research standard award	27,213
Ayr College and Industrial Training Institute, Karnataka – UKIERI Professional and Technical Skills award	25,885
University of Engineering and Technology, Lahore – irrigation and engineering – INSPIRE	25,095
National University for Science and Technology, College of Electrical and Mechanical Engineering, Rawalpindi – environment and climate change/energy – INSPIRE	25,000
Aga Khan University, Karachi – medical sciences – INSPIRE	25,000
Royal Court Theatre – 2009 International Residency	25,000
Victoria and Albert Museum – exhibition in Istanbul	25,000
Indian Institute of Science Education and Research, Pune and UK Consortium – UKIERI partnership grant	25,000
Fatima Jinnah Women University, Rawalpindi – law, governance and leadership – INSPIRE	24,991
National Health Research Complex, Punjab University, Lahore – medical sciences – INSPIRE	24,775
Rawalpindi Medical College, Rawalpindi – psychology – INSPIRE	24,650
University of Karachi – marine science – INSPIRE	24,650
University of Leicester and Institute of Genomics and Integrative Biology, New Delhi – UKIERI research standard award	23,873
Commission on Science and Technology for sustainable developments Institute of Information Technology, Islamabad – clean drinking water – INSPIRE	23,850
University of Edinburgh and Indian Institute of Technology, Guwahati – UKIERI research standard award	23,613
Hazara University – heritage management – INSPIRE	23,100
University of Nottingham and Indian Institute of Technology, Kanpur – UKIERI research standard award	23,032

UKIERI: UK–India Education and Research Initiative

INSPIRE: International Strategic Partnerships in Research and Education

The majority of the 50 largest grants support the activity ‘encouraging educational co-operation and promoting the advancement of education’ except where indicated

<sup>1</sup> Supports the activity ‘encouraging cultural, scientific and technological co-operation’.

<sup>2</sup> Supports the activity ‘building capacity for social change’.

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Notes to the accounts  
for the year ended 31 March 2009

## 8 COST OF CAPITAL

Notional cost of capital is calculated as 3.5 per cent of the average capital employed in the year.

## 9 INTANGIBLE FIXED ASSETS

	Software licences
<b>Modified cost or valuation</b>	
At 1 April 2008	5,011
Additions/transfers	1,446
Disposals	(24)
<b>At 31 March 2009</b>	<b>6,433</b>
<b>Amortisation</b>	
At 1 April 2008	(1,250)
Charge for year	(546)
Disposals/transfers	6
Revaluations/backlog amortisation	–
<b>At 31 March 2009</b>	<b>(1,790)</b>
<b>Net book value</b>	
<b>At 31 March 2009</b>	<b>4,643</b>
At 1 April 2008	3,761



# Accounts

Notes to the accounts  
for the year ended 31 March 2009

## 10 TANGIBLE FIXED ASSETS

	Freehold land and property	Leasehold land and property	Furniture and equipment	Information technology	Vehicles and plant	Art collection	Total
Modified cost or valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2008	47,605*	63,083*	10,555	23,027	9,214	3,734	157,218
Additions	4,027	3,114	359	917	466	102	8,985
Transfers	–	–	–	–	–	–	–
Disposals	(900)	(1,268)	(838)	(1,267)	(540)	–	(4,813)
Revaluations (CCA)	–	–	735	407	667	–	1,809
Revaluations	47,889	24,412	–	–	–	–	72,301
<b>At 31 March 2009</b>	<b>98,621</b>	<b>89,341</b>	<b>10,811</b>	<b>23,084</b>	<b>9,807</b>	<b>3,836</b>	<b>235,500</b>

### Depreciation

At 1 April 2008	(6,091)*	(24,554)*	(9,008)	(12,510)	(6,969)	–	(59,132)
Charge for year	(1,751)	(3,056)	(568)	(3,606)	(727)	–	(9,708)
Disposals/transfers	585	627	821	1,260	521	–	3,814
Backlog depreciation (CCA)	–	–	(636)	(437)	(642)	–	(1,715)
Revaluations	5,455	1,901	–	–	–	–	7,356
<b>At 31 March 2009</b>	<b>(1,802)</b>	<b>(25,082)</b>	<b>(9,391)</b>	<b>(15,293)</b>	<b>(7,817)</b>	<b>–</b>	<b>(59,385)</b>

### Net book value

<b>At 31 March 2009</b>	<b>96,819</b>	<b>64,259</b>	<b>1,420</b>	<b>7,791</b>	<b>1,990</b>	<b>3,836</b>	<b>176,115</b>
At 1 April 2008	41,513*	38,530*	1,547	10,517	2,245	3,734	98,086

Included in the above:

### Assets in progress (AIP)

	Land and property	Furniture and equipment	Information technology	Vehicles and plant	Art collection	Total
AIP at 1 April 2008	3,673	243	790	162	–	4,868
AIP items capitalised in 2008–09	(1,931)	(213)	(743)	(160)	–	(3,047)
2008–09 AIP items to be capitalised	4,674	116	137	123	–	5,050
<b>Total AIP at 31 March 2009</b>	<b>6,416</b>	<b>146</b>	<b>184</b>	<b>125</b>	<b>–</b>	<b>6,871</b>

\* Opening balances for freehold and leasehold categories have been restated.  
All tangible fixed assets acquired are used to support the British Council's charitable activities.

# Accounts



## Notes to the accounts for the year ended 31 March 2009

Freehold and long-leasehold land and buildings were valued on the basis of open market value for existing use at 31 March 2009 by DTZ Real Estate Advisers, in accordance with the guidelines issued by the Royal Institution of Chartered Surveyors. Freehold and long-leasehold land and buildings are revalued every five years.

The 2009 revaluation resulted in a £79.7 million increase in net book value as a result of worldwide land and property market increases. The most significant increases by country were India (£20.1 million) and Spain (£30.5 million).

Included within the freehold and leasehold property categories are land and buildings for dwelling purposes, valued at a cost of £14.1 million and net book value of £13.9 million (2008: cost £5.2 million and net book value £4.8 million).

The adjustments for current cost accounting revaluation and backlog depreciation include the effect of both upward and downward indices. The net result has been added to the revaluation account because the downward movements are considered to be of a temporary nature.

Within the freehold land and properties category, there is one building allocated a useful life of 60 years in 2009 that will expire in 2069. The attributed value in 2008–09 was £2.1 million.

The British Council maintains a permanent collection of works of art, begun in 1938; it holds over 8,000 work at present. The current estimated value, as valued by the Curator of the collection, is £61 million (2008: £59.5 million). The purpose of the collection is to increase the understanding and appreciation of British art overseas in furtherance of the British Council's objectives for cultural co-operation. It is not held for investment or resale. Many works have been acquired from emerging artists and on beneficial terms because of the collection's purpose. For the above reasons, the collection is included in the accounts at cost or nil value in the case of donated items. The art collection is not depreciated since the assets are considered to have an indefinite life and the residual values of the assets are considered to be either in line with or above costs.

The British Council valued its fixed assets in 1994 when changing from cash to resource accounting principles. It is not practical to identify the original cost and accumulated depreciation of those assets included at valuation at that date.



# Accounts

Notes to the accounts  
for the year ended 31 March 2009

## 11 FIXED-ASSET INVESTMENTS

(a) Subsidiary undertaking:

Organisation name	Country of registration	Nature of business	Class shares held/%
BC Trading International Ltd	England and Wales	Raise funds through trading activities	Ordinary/100%

	£'000
At 1 April 2008	100
Additions	–
<b>At 31 March 2009</b>	<b>100</b>

BC Trading International Ltd was incorporated on 5 April 2004 as a wholly owned subsidiary of the British Council and is a company limited by shares. It carries out general commercial activities predominantly generating sponsorship income through British Council events. The main profit from such activities is paid by gift aid to the British Council.

### BC Trading International Ltd

Financial summary	2009
	£'000
Assets including current assets	1,557
Current liabilities	(1,545)
Reserves	12
	<b>2008–09</b>
Revenue	1,279
Operational expenses and gift aid	(1,279)
Profit/(loss)	–

(b) Joint venture:

Organisation name	Country of registration	Nature of business	Interest held
IELTS Inc.	Delaware, USA	Developing, administering and marketing the IELTS examinations	33.3%

	£'000
At 1 April 2008	157
Interest receivable	10
Loss on revaluation	67
<b>At 31 March 2009</b>	<b>234</b>

The results of the joint venture are not material and as a result have not been consolidated.

# Accounts



Notes to the accounts  
for the year ended 31 March 2009

## 12 DEBTORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

(a) Analysis by type:

	Group		British Council	
	2008-09	2007-08	2008-09	2007-08
	£'000	£'000	£'000	£'000
Trade debtors	59,275	47,254	59,275	47,254
VAT debtor	468	762	636	765
Other debtors	4,876	6,870	4,531	6,582
Balances resulting from activity under contracts and agreements	39,357	7,793	39,357	7,793
Prepayments	12,033	10,165	12,033	10,165
Amounts due from subsidiary undertaking	–	–	1,349	428
	<b>116,009</b>	<b>72,844</b>	<b>117,181</b>	<b>72,987</b>

(b) Intra-government debtors:

	Group	
	2008-09	2007-08
	£'000	£'000
Balances with central government bodies	19,017	14,368
Balances with local authorities	9	2
Balances with public corporations and trading funds	5	1
<b>Total intra-government debtors</b>	<b>19,031</b>	<b>14,371</b>
Balances with bodies external to government	96,978	58,473
	<b>116,009</b>	<b>72,844</b>

# Accounts

Notes to the accounts  
for the year ended 31 March 2009

## 13 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

(a) Analysis by type:

	Group		British Council	
	2008-09	2007-08	2008-09	2007-08
	£'000	£'000	£'000	£'000
Trade creditors	16,110	11,431	16,110	11,407
Balances resulting from activity under contracts and agreements	77,267	41,116	77,267	41,116
Other creditors	7,438	7,121	7,411	7,098
Taxation and social security	1,666	2,068	1,666	2,068
Accruals	37,487	29,637	37,487	29,637
Deferred income	66,914	49,271	66,914	49,271
	<b>206,882</b>	<b>140,644</b>	<b>206,855</b>	<b>140,597</b>

(b) Intra-government creditors:

	Group	
	2008-09	2007-08
	£'000	£'000
Balances with central government bodies	360	334
Balances with local authorities	85	8
Balances with NHS trusts	2	–
Balances with public corporations and trading fund	–	2
<b>Total intra-government creditors</b>	<b>447</b>	<b>344</b>
Balances with bodies external to government	206,435	140,300
	<b>206,882</b>	<b>140,644</b>

## 14A PROVISIONS FOR LIABILITIES AND CHARGES (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	Terminal gratuities	Early retirement	Other staff	Legal cases	Other	Total costs
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2008	–	1,034	451	6,038	705	8,228
Unrealised loss on exchange	–	–	–	–	–	–
Net amounts paid or utilised in year	–	(1,322)	(353)	(5,794)	(417)	(7,886)
Charged to expenditure	–	394	105	631	26	1,156
Movement between short and long term	–	745	–	–	–	745
<b>At 31 March 2009</b>	<b>–</b>	<b>851</b>	<b>203</b>	<b>875</b>	<b>314</b>	<b>2,243</b>

# Accounts



Notes to the accounts  
for the year ended 31 March 2009

## 14B PROVISIONS FOR LIABILITIES AND CHARGES (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	Terminal gratuities	Early retirement	Other staff	Legal cases	Other	Total costs
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2008	10,772	1,844	–	–	305	12,921
Unrealised loss on exchange	2,420	–	–	–	–	2,420
Net amounts paid or utilised in year	(1,823)	–	–	–	–	(1,823)
Charged to expenditure	3,401	232	–	80	–	3,713
Movement between short and long term	–	(745)	–	–	–	(745)
<b>At 31 March 2009</b>	<b>14,770</b>	<b>1,331</b>	<b>–</b>	<b>80</b>	<b>305</b>	<b>16,486</b>

## 15 MOVEMENTS ON FUNDS AND RESERVES

	General account	Retirement benefits scheme reserve	Capital account	Revaluation account	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2008	22,263	4,362	95,390	6,457	128,472
Net incoming resources for the year after reversal of notional costs	31,931	–	–	–	31,931
Normal transfer to capital and valuation account	(7,846)	–	7,557	289	–
Transfer of net pension costs	(528)	528	–	–	–
Actuarial gain recognised in the retirement benefits scheme	–	(71)	–	–	(71)
Valuation account movement: on general fixed assets	–	–	–	94	94
Transfer relating to disposals	–	–	2,043	(2,043)	–
Revaluation of land and buildings	–	–	–	70,971	70,971
<b>Balance at 31 March 2009</b>	<b>45,820</b>	<b>4,819</b>	<b>104,990</b>	<b>75,768</b>	<b>231,397</b>

## 16 COMMITMENTS

(a) Capital commitments:

	2009	2008
	£'000	£'000
Contracted expenditure	5,445	3,832

(b) Specific charitable projects (grants):

	2009	2008
	£'000	£'000
To be undertaken in the following year	11	100

(c) Annual commitments under operating leases:

Commitments under operating leases to pay rentals during future years are analysed according to the period in which each lease expires. These all relate to land and buildings.

	2009	2008
In one year or less	6,702	6,334
Between one and five years	11,949	8,235
In five years or more	3,958	4,820
	<b>22,609</b>	<b>19,389</b>



# Accounts

Notes to the accounts  
for the year ended 31 March 2009

## 17 LOSSES STATEMENT

During the year there were 273 cases where a loss, as defined in *Managing Public Money*, was brought to account totalling £409,784. This includes fraud and non-fraudulent business write-offs. No individual case was greater than £250,000.

## 18 RELATED PARTY TRANSACTIONS

The British Council is a non-departmental public body sponsored by the Foreign and Commonwealth Office (FCO).

The FCO is regarded as a related party. During the year the British Council has had various material transactions with the FCO.

The British Council has had a number of material transactions with other government departments and other central government bodies. The most significant have been with the:

- Department for International Development
- Department for Innovation, Universities and Skills
- Department for Children, Schools and Families.

In addition, the British Council has had a number of transactions with the British Council Benevolent Fund, which provides financial assistance to staff in need in the UK and overseas via charitable donations from current and ex-employees. The British Council has no control over the fund; however, the Trustees are appointed by the British Council Board.

None of the Board members, principal managerial staff or other related parties has undertaken any material transactions with the British Council during the year other than as disclosed.

Stephen Kinnock was employed by the British Council until 2 January 2009 and is the son of the Rt Hon. Lord Kinnock, Chair of the British Council. He joined the British Council in August 1996 and Lord Kinnock was appointed Chair of the British Council on 1 December 2004. The two appointments were not connected and neither party has influenced the financial and operating policies of the organisation in such a way as to benefit the other.

Sue Hoyle became a Trustee of the British Council in September 2008, following an open recruitment exercise. Her husband, Graham Devlin, was appointed on a consultancy contract in the arts for the British Council from 21 July 2008 to 31 October 2008. He presented his final report to the Board of Trustees on 11 November 2008. The appointment of Graham Devlin predated and was not influenced by or connected with Sue Hoyle's position on the British Council Board of Trustees.

# The British Council's 75th anniversary

A story of engagement:  
75 years of cultural relations

The British Council, originally known as The British Committee for Relations with Other Countries was established by private initiative and with the support of the Foreign Office in 1934. The creation of the Committee brought together a coalition of interests – from government departments, industry, the arts and science – to actively promote an understanding of Britain across the world. Before 1934, while many European governments routinely spent public money to project their respective language, arts, literature or science, there had been minimal commitment to the cultural promotion of Britain. With the end of the 1920s came the Wall Street Crash, the onset of economic depression and increasing competition between European powers. It was against this backdrop that arguments for the promotion of cultural relations between Britain and other countries began to gain support.

While the British Council works to develop cultural relations around the world, that work is dependent on partnerships with organisations in the UK. Every exhibition, exchange or training programme relies on UK partner organisations to enrich the work of the British Council. Historically, making use of the benefits of these partnerships, at home and abroad, has resulted in lasting relationships with artists as diverse as Henry Moore and Tracy Emin, engagement with groups in the Soviet Union at the height of the Cold War, support to the anti-apartheid movement in South Africa, and the creation of UNESCO.



British books for children displayed in the British Council office in Rabat, Morocco, 1979.

The British Council's  
75th anniversary



The Allied Centre, Liverpool, which was opened in April 1941 for refugees, exiles and overseas service personnel.

1930 Salt March Mahatma Gandhi sets off on the 200-mile Salt March



Representation established in Poland and Egypt; the British Council becomes responsible for British presence at Venice Biennale

June – creation of the Committee of International Understanding and Co-operation announced; November – the British Committee for Relations with Other Countries created



Pandit Nehru invites the British Council to begin work in India

Royal Charter granted to the British Council; British Council begins work in Brazil, Bulgaria, Spain and Iraq, but withdraws from Italy

British Council forced to suspend work in China

1929

1935

1939

1941

1945

1950

1953 Everest Sir Edmund Hillary and Tenzing Norgay make the first summit of Mount Everest



1934

1938

1940

1947

1952

2 July – inaugural meeting of the British Council held at St James's Palace



UNESCO founded; British Council begins work in USSR, Czechoslovakia and Hungary

Defections lead to demands for a withdrawal from Hungary, Czechoslovakia and Bulgaria

D'Abernon report published; Rex Leeper joins the News Department at the Foreign Office

British Council coat of arms granted; withdrawal from Yugoslavia and Bulgaria, but beginning of work in Bolivia

Representation established in Italy; Resident Foreigners Committee (Home Division) created

The original logo was designed







British Council works with refugees fleeing Hungary following Soviet response to nationalist rising; British Council work temporarily affected by Suez Crisis



Indian headmaster Venkatesh Raman observes an English class at Hempland Junior School, Yorkshire

Updated British Council logo



Iranian Revolution – British Council staff withdrawn



Berlin Wall erected; National Youth Theatre put on *Julius Caesar* in Berlin



A Malaysian visitor from the Multi-class Teaching Project with children from a new school in Edinburgh

British Council establishes representation in Korea and the USA through the UK Embassy

Six-Day War has repercussions for numerous British Council offices

Visiting Arts established

1955

1959

1965

1969

1974

1975

1978

1980

1956

1961

1967

1970

1973

1977

1979

1981

Representation established in Canada and the Federal Republic of Germany; exchanges allow work with Bulgaria, Czechoslovakia and Hungary

Representation established in Cuba and re-established in Iraq

John Munby publishes *Communicative Syllabus Design*

Soviet Relations Committee created

Representation established in Saudi Arabia; Unilateral Declaration of Independence by Rhodesia causes withdrawal of British Council representative

Office closed in Afghanistan – work restarted in 2002; Ashington Group work shown in China – the first exhibition from the West since the Cultural Revolution

The 20,000th UN Fellow studies at London Zoo

Dr E.G. Mahrenholz, German Minister for Education, at the Robert Owen School, London





1983 Hawaii Mt Kilauaea begins erupting in Hawaii and is still flowing today



1982

Office closed in Argentina – reopened in 1991



Berlin Wall destroyed

1984

European Commission and Commonwealth Heads of Government support provision of assistance to non-violent resistance to apartheid

1985

1986 Space The Soviet Union launches the Mir space station



1987

1989

British Council office in Cape Town relocated to Johannesburg

Know How Fund for Eastern Europe launched in Poland, Czechoslovakia and Hungary; war with Iraq causes withdrawal of staff



1990

1992



Office presence expanded in former Soviet Union; Chancellor's Financial Sector Scheme created in the former Soviet Union

Launch of Network English – a CD-ROM-based English language learning tool

1996

1996 Dolly The first cloned mammal, Dolly the sheep, is confirmed by the media



1999

Launch of the British Council's Virtual Campus website

1998

Office opened in Pristina, Kosovo



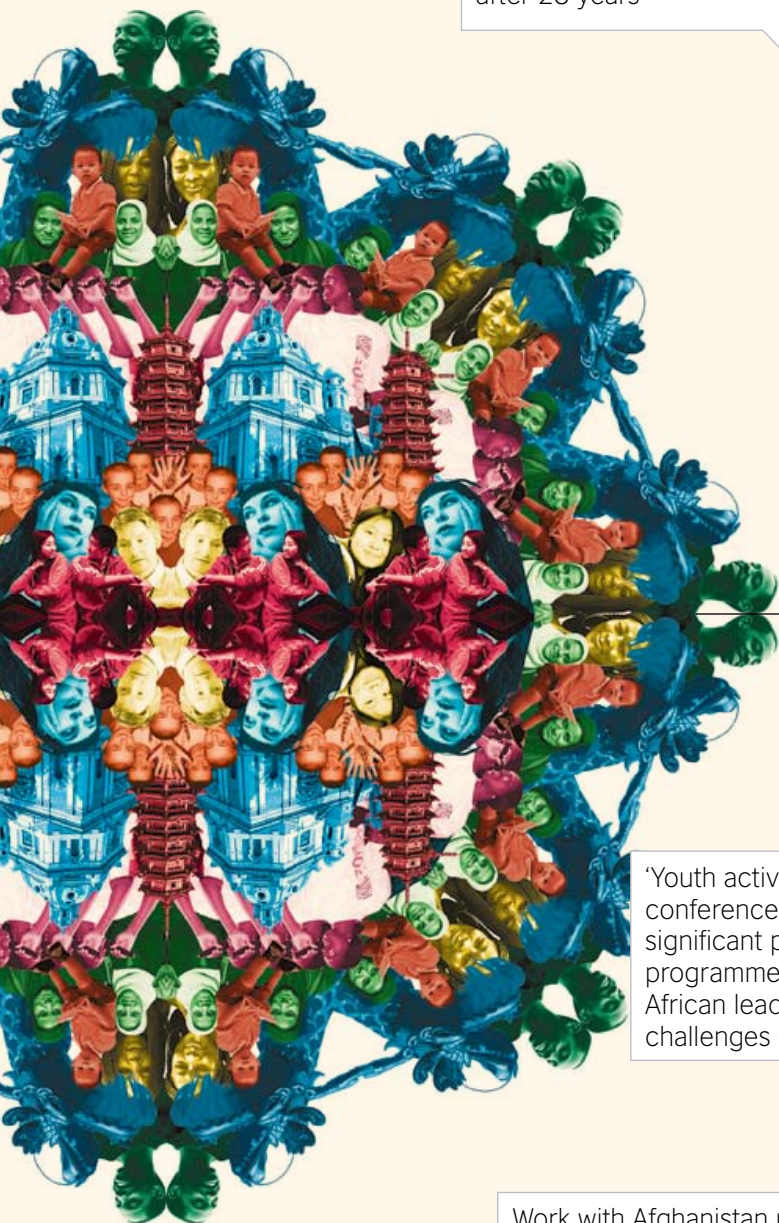
New 'spots' logo adopted



Offices reopened in Tripoli after 28 years



25th anniversary of the founding of the Islamic Republic of Iran; British Council organises first exhibition of British art ever to be seen in the Islamic Republic with the Tehran Museum of Contemporary Art; Global Xchange partnership between VSO, Community Service Volunteers and the British Council is established



2002

2005

2009

2000

2004

'Youth activism: making a difference' conference held in Cape Town – significant point in the InterAction programme, supporting emerging African leaders as they face the challenges of the 21st century

Work with Afghanistan restarted – British Council director posted there in 2004

British Council celebrates 75 years



