



# 2024–25 Annual Report and Accounts

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# Introduction and summary

# Message from Paul Thompson, Chair, and Scott McDonald, Chief Executive

The world is more fractious, polarised and dangerous than it has been since the height of the Cold War. One in seven people experienced conflict in the last year. There's a clash of values and disagreement over how the world should be governed, and how people should live or work. We are operating in a world shaped by intense geopolitical competition, technological disruption, climate crisis and profound cultural shifts.

The key to addressing these complex challenges is **trust**. And trust needs to be built at every level: government-to-government, institution-to-institution and people-to-people. Trust reduces the likelihood of conflict, safeguards security, and creates conditions for collaboration – in trade and in the shared challenges we all face.

The British Council continues to play a vital role in creating trust and enabling growth and security. By building connections and understanding through the essential human areas of arts and culture, education and language, we are at the frontline of the UK's trust-building efforts.

As an arms-length body of the UK Government's Foreign, Commonwealth and Development Office (FCDO), we deliver on the strategic priorities of the UK, its devolved nations and the sectors we work with. Examples include our delivery of the £70 million Cultural Protection Fund for the Department for Culture, Media and Sport, and our work in support of the Department for Education's International Education Strategy. We support the international agendas of the distinct nations of the UK, through, for example, our close working relationship with Creative Scotland and Festivals Edinburgh, our growing partnership with the Welsh Government and our work with Northern Ireland's cultural festivals. Our network and expertise drive economic growth, both in the UK and overseas.

We offer **great value for money** for UK taxpayers. For every £1 that the UK Government funds us, we generate a further £5.2, delivering in excess of £1 billion of soft power activity for the UK each year. Our tangible **contributions to UK economic growth** include supporting student mobility and the international agendas of UK Higher Education (international student income is worth £40 billion to the UK economy), promoting the UK's creative economy (worth £120 billion), teaching English to adults and children and facilitating strong secondary educational opportunities (such as our Mandarin Excellence Programme in UK schools, facilitation of UK A-Levels in China and the ACCA qualification in Pakistan).

By actively extending the use of English around the world, we directly increase the long-term opportunities for trade and people's propensity to do business with the UK. Our research<sup>1</sup> shows that young people who interact with the British Council are more than three times more likely to want to do business with the UK. In 2024–25 our Alumni Live programme brought together over 15,000 international alumni from UK universities, now living in 108 countries. The career focused sessions maintain and nurture connection between the UK and the world leaders of tomorrow.

**Trust reduces the likelihood of conflict, safeguards security, and creates conditions for collaboration**

<sup>1</sup>

Global Perceptions 2025: how 18–34 year olds see the UK and the world (2025). Based on a survey of more than 20,000 young people across the G20 nations.

We work with partners across government to support the **UK's security and promote more peaceful societies**. We contribute to stability in critical geographies by providing the skills needed to unlock opportunity, tackling disinformation, fostering social cohesion and preserving cultural heritage and identity. In 2024–25, some of our vital work in this area has been in Ukraine. Under the aegis of the 100 Year Partnership between our two countries, we work to protect Ukrainian cultural heritage and identity by equipping teachers with the skills they need to teach in a war-zone. We are also making good progress on achieving the Ukrainian government's goal of making English their country's official second language. And all of this transformative work has been done against the backdrop of constant attack and threat, as in many places in the world where our colleagues operate with incredible commitment and resilience.

**We are helping to rebuild the UK's relationship with Europe.** Despite funding limitations, we have a strong presence across Europe and a privileged "pillar assessed" status to participate in EU forums and EU policymaking. When government-to-government frictions exist, we focus on maintaining and building the deep and historic people-to-people connections between the UK and Europe. For example, in the arts, we delivered the UK/France Spotlight on Culture which strengthened cultural ties, supported artists' exchanges, and reached a live audience of one million across both countries.

**We are supporting the UK government's approach to modernising development.** Our approach, based on mutuality and partnership, strengthens the UK's capability in international development and supports the UK's leadership in global issues such as foundational skills which empower women and girls. Since 2016 we have reached 30,000 participants through the English and Digital for Girls Education (EDGE) and English Skills for Youth (ESY) projects in Ethiopia, Myanmar, Bangladesh, India, Nepal, Pakistan and Sri Lanka.

**We are underpinning UK global leadership in climate and nature.** Climate change and biodiversity are priorities for young people worldwide, and governments are recognising the pivotal role of education and culture in shaping effective climate responses. In 2024–25 we supported more than 44,000 young people to participate in climate initiatives and climate policy platforms and we also provided over 8,000 English language teachers with online training to deepen their awareness of climate change and integrate it into their curricula, in Pakistan, Indonesia, and many other regions threatened by climate extremes.

Looking ahead, we are putting in place a new strategy to take us to 2030 and to address our long-term **financial sustainability**. Like all organisations, we need to evolve and adapt to this fast-changing world. **We will be focusing our work to drive greater impact.** This includes learning from what works and honing our programmes and services to deliver improved outcomes and even more value for our customers and stakeholders. It will also involve maximising what we can deliver through digital products and the integration of AI into how we operate. Our continued work on our financial sustainability will mean making further difficult decisions, restructuring our teams and our physical footprint around the world to ensure that we are well positioned to invest in our future and our people. We will become more **agile to enable innovation in the organisation**. This will mean supporting our greatest asset: **our people**, freeing them up and promoting a culture that enables us to move faster with less process burden.

—  
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fast-changing world**

Our financial performance in 2024–25, as set out in the Financial Review section of this report, shows a mixed picture. Total income rose 2 per cent to £1 billion in 2024–25. However, the British Council made a net loss of £51 million and, in the absence of sufficient reserves, is reliant on a short-term loan from government, which the government has committed to extend to 30 September 2027, while we work through a longer term restructure of the loan with multiple parties involved. We continue to operate in a challenging global financial context, with inflation, higher interest rates in key economies, volatile foreign exchange, currency controls and crises around the world affecting the pace of our recovery. We have already delivered a transformation programme that has generated savings of £180 million since the Covid-19 pandemic, but we have more work to do to become more efficient and to position ourselves for strong income growth. We are now constructively engaged with the government to secure a longer-term funding model and have shared a restructuring plan as part of this. It includes proposals to make further efficiencies and drive growth, in addition to selling some of our assets to generate cash and help us through this difficult period. Above all, we will need the continuing support of the FCDO to help us deliver our plans to promote the UK globally as a force for good and a great place to study and do business.

We would like to acknowledge the ongoing support of our partners across the UK and around the world. We would also like to thank every one of our colleagues, who often work in the most difficult of circumstances, for their dedication, professionalism and creativity.

In an increasingly challenging context, our work has never been more important. Together with our partners we remain determined to grow our impact by building the connections, understanding and vital trust needed for our future peace and prosperity, in the UK and across the world.



**We have already delivered a transformation programme that has generated savings of £180 million since Covid**

# About the British Council

The British Council is the UK's international culture and education organisation. We support peace and prosperity by building connections, understanding and trust between people in the UK and countries worldwide.

Creating these vital connections between the people of all four nations of the UK and other countries benefits everyone. It encourages people and organisations from around the world to visit, study and partner with the UK, strengthening the UK's global reputation and influence and driving economic growth.

By connecting the UK's expertise in arts and culture, education and the English language to our global presence and unparalleled networks we unlock potential and transform lives. We help artists to share their distinctive voices. We provide educators with the tools to shape generations. We give young people the confidence to shine.

We work with governments and our partners in the education, English language and cultural sectors to make a bigger difference, creating benefit for millions of people all over the world. At the heart of these relationships is trust which is built over time and nurtured through shared experiences.

We work with people in over 200 countries and territories. In 2024–25 we reached almost 600 million people.

Founded in 1934, we are a UK charity governed by Royal Charter and a UK public body, operating at arm's length from government.

Most of our income comes from partnership agreements, contracts, teaching and exams, and philanthropy. We also receive grant-in-aid funding from the UK government.

For almost a century, it's been our mission to build a world where people connect across borders, and where trust is the foundation for lasting change. A world where opportunities are limitless.

# Strategy and objectives

This report tracks our progress against the 2024–25 strategy as set out in the corporate plan of that year and outlined in the framework below. It marks the final year of the strategic period from 2022 to 2025.



# Strategic priorities

Our strategic priorities summarise our response to the changing world. They help us make the biggest decisions and steer the development of our strategy and day-to-day actions. Our strategic priorities for 2024–25 are set out below:

## 1

### Focus on what we are best at:

We focus on young people, creatives, educators and future leaders. We make an impact across arts and culture, education and the English language where we have global leadership, and we invest to maintain our competitive edge. We link our areas of expertise to make our offers distinct, connecting people across local, national, UK and international networks. We combine quality and creativity and stay relevant through changing times. We are well-known in the UK and globally for what we do.

## 2

### Deliver a unique mix of physical and digital presence:

We maintain the broadest face-to-face network, complemented with an ambitious digital offering. This combination of face-to-face and digital sets us apart from our competitors and delivers a unique experience for our partners and customers.

## 3

### Maintain collaborative independence:

Our work supports the international aspirations of all four governments of the UK, and we operate at arm's length from the political process to ensure we build long-term trust wherever we operate.

## 4

### Be one British Council with an attractive culture:

We act as a single organisation to maximise our impact and efficiency, while allowing the flexibility needed for each area of our operations to thrive. Partners' and customers' journeys across the British Council are seamless. Our people and our partners experience a culture that promotes excellence, respect, inclusion and diversity. We are environmentally responsible.

## 5

### Be professional and constantly learning:

We will be financially sound, diversify our sources of funding, simplify and be agile. We focus on data and evidence. We constantly evolve and get better.

Details about these strategic priorities and how we have delivered against them are outlined in the **Performance** section of this report.

# Achievements

## Our impact

The British Council is a **main conduit for UK soft power**. This has been recognised through three government reviews of the British Council in the last 11 years and most recently through participation in the Soft Power Council, launched in January 2025. Independent reviews and recent evaluations continue to highlight that our unique value is based on deep institutional knowledge, the expertise and dedication of our staff, strong brand recognition, on the ground presence amplified by digital engagement that together support trusted local relationships, influence and partnership with the UK. In 2024–25 we reached 598 million people across the world and increased the number of people we engaged with from 155 million in 2023–24 to 206 million in 2024–25. Globally and across the four nations of the UK, we worked with 1,259 arts institutions, and we also supported 2,648 further and higher education institutions to build partnerships focused on Transnational Education (TNE), joint teaching programmes, science and research.

A selection of our major achievements are summarised below:

### We helped to strengthen international educational partnerships with the UK

- Alumni Live brought together over 15,000 UK Alumni from across 108 countries for career focussed sessions, helping maintain their connection with the UK and 96 per cent rated the experience positively. UK Alumni are people from around the world who have studied in the UK as an overseas student.
- Our Going Global conference in Abuja, Nigeria supported the networking of 300 tertiary education leaders from 18 countries across the African continent, including three ministers and 46 government officials from the region.
- During 2024–25 we funded 41 TNE Exploratory grants to build TNE partnerships with Brazil, Egypt, Indonesia, Kazakhstan, Nigeria, Pakistan and Turkey; and 55 Gender Equality Partnerships grants to advance gender equality in Bangladesh, Brazil, Egypt, Ghana, Jordan, Kenya, Nigeria, South Africa, Ukraine and Vietnam.

### We increased access to UK qualifications and expanded our English language teaching activities

- In 2024–25, we delivered 1,062,000 UK school exams (compared to 988,000 in 2023–24) and 732,365 UK professional and university exams (compared to 687,000 in 2023–24) in over 100 countries.
- We maintained our position as the market leader in high-stakes English language assessment, delivering 2.3 million International English Language Testing System (IELTS) tests.
- We continued to expand our teaching and assessment operations in 2024–25, opening five new teaching centres worldwide: one each in Bulgaria, Taiwan, Japan, Kuwait and Vietnam. This growth is part of our ongoing strategy to establish young learner centres closer to where our customers live, helping families integrate English learning into their busy schedules.
- We launched a strategic collaboration with the International Schools Partnership (ISP) to expand global access to English learning. ISP's network of 108 independent international schools across 25 countries, enables us to reach new communities quickly and cost effectively while maintaining the same high-quality British Council teaching experience.
- We supported 49 country education systems to strengthen English language teaching, learning and assessment.

### We supported student mobility and research collaborations to/with the UK

- Working with the UK education sector and GREAT campaign we promoted the whole of the UK as a destination of choice for international students. Our Study UK website attracted 6.2 million visitors, with 657,000 click throughs to UK university websites (up from 616,000 last year). We surpassed over 1 million followers across Study UK social media platforms. We also reached new audiences through influencer collaborations on platforms including Douyin, Redbook, YouTube and Instagram.
- During 2024–25, as part of the International Science Partnerships Fund, we delivered £9 million in collaborative grant projects between the UK and 11 partner countries.

### We promoted the UK as a diverse and modern nation through arts and culture

- Since 1937 we have commissioned the British Pavilion at the Venice Biennale, inspiring global audiences with exciting British art. 2024's monumental commission by British artist John Akomfrah RA was a multi-layered exhibition which encouraged visitors to experience the British Pavilion's 19th century neoclassical building in a new way. Exploring issues of contemporary life, such as memory, migration, racial injustice and climate change – the exhibition was visited by 446,000 people in Venice and it also toured the UK with its first stop at the National Museum Cardiff. The exhibition is accessible online through our exhibition films which were viewed over 1.3 million times in 2024.
- Running from March to November 2024, the UK/France Spotlight on Culture strengthened cultural ties, supported 67 artistic exchanges, and reached a live audience of 997,000 across both countries. The programme enabled over 70 new partnerships, drawing inspiration from diverse cultural landscapes, with 100 per cent of partners reporting that they are likely to collaborate again in the future. It demonstrated the lasting impact of cultural diplomacy and reinforced the UK and France as priority partners for international collaboration.

### We maintained people to people links in times of conflict

- In Ukraine, despite the ongoing war, we doubled the size of our programme provision and delivered a full range of activity across arts, education and English language. This included hosting UK artists in Ukraine for the first time since the full-scale invasion, a major English language teaching programme for Ukrainian civil servants funded by the British Embassy, a new high profile school twinning programme funded by the Department for Education, and a \$1 million higher education capacity building programme funded by the World Bank.
- In Palestine, despite the devastating impact of war, we sustained and adapted our English and education programmes. We resumed operations in the West Bank following a brief pause, delivering UK school and IELTS exams and embedding Core Skills into the English curriculum. Hundreds of teachers joined the Get Speaking project, where they developed their English language speaking skills and improved their teaching practices.
- In Sudan, we continue to deliver vital education, skills, and cultural heritage programmes despite the protracted war and acute humanitarian crisis. Last year we supported education systems by training over 2,000 teachers (from 12 states out of 18), helped strengthen civil society and local resilience, aligned with UK Government priorities, and supported the preservation of Sudan's unique cultural heritage through workshops, digitisation and community led initiatives. This was achieved by operating from an administrative hub in Uganda and through long-standing partners.

### We supported action on climate through arts, education and English language

- In Baku, Azerbaijan, at Conference of Parties 29 and Conference of Youth 19, we collaborated with strategic partners, UK and local governments, and young people to advocate for the vital role of education, arts and culture in addressing climate change.
- We supported more than 44,000 young people to participate in climate initiatives and climate policy platforms and we also provided over 8,000 English language teachers with online training to deepen their awareness of climate change and integrate it into their lessons.
- We have achieved a 53 per cent reduction in our carbon emissions since 2017–2018.

### We increased our digital engagement for greater overall impact

- We continued the acceleration of digital/online delivery, including through English Online and digital arts programmes. We engaged with 186 million people through live and recorded virtual events compared to 137.8 million last year.

## Delivering increased value for money

- Our total income increased slightly from £989 million in 2023-24 to £1,010 million in 2024-25 (see Financial Review).
- We continue to become a more efficient and effective organisation, delivering better value for money at minimum cost to the UK taxpayer. For every £1 of government grant-in-aid from the Foreign, Commonwealth and Development Office (FCDO), an additional £5.2 was generated from other sources compared to £4.7 last year (see Financial Review).
- We completed the restructuring of our frontline operations and remain on track to deliver projected savings of £180 million between 2021–22 and 2024–25.

A young boy with short dark hair, wearing a white collared shirt and a red and black plaid vest, is speaking into a silver microphone. He has a focused expression. The background is blurred, showing some colorful shapes. The image is framed by a red border on the right and bottom, and a blue semi-transparent box at the bottom containing white text.

# Our programmes and services across the network

# Arts and culture

This section provides an illustrative selection of examples that demonstrate how we enhance the UK's influence and prosperity and contribute to the UK's international development ambitions and the reform agendas in the countries where we work. These are aligned to our priorities set out in the 2024–25 Corporate Plan.

We strengthen creative and economic development and build trust through connections and collaboration between the arts, culture, heritage and creative industry sectors in the UK and internationally.

**We engaged with nearly 11 million customers face-to-face and almost 22 million online.**

## Cultural exchange

*We connect the UK's arts and culture sectors with their peers and with audiences internationally, driving greater engagement with, and favourability towards, UK arts and culture.*

### Creating new opportunities for international showcasing of UK performing arts

In August 2024, we launched the Edinburgh International Performing Arts Delegation programme at Edinburgh Festival Fringe, the world's largest festival, and the prestigious Edinburgh International Festival. We brought 24 leading theatre and dance festival and venue programmers from 15 countries to Edinburgh to experience the best of contemporary UK performance, build new international connections, and find UK work to share with international audiences.

As a direct result of the delegation, UK companies have developed 27 new partnerships in 11 countries, many taking advantage of British Council follow-up grants to support new collaborations.

### Supporting new creative partnerships between the UK and Asia

Connections through Culture provides grants that foster creative collaborations and exchange with the UK between artists, cultural professionals, creative practitioners and organisations. Already operating in China and Southeast Asia, the programme extended into South Asia in 2024, enabling 84 collaborations between the UK and partners across 11 countries.

Projects explored themes such as diversity, inclusion, and climate action – from Deaf-led music events and international theatre productions to digital art residencies and creative workshops.

### Strengthening cultural collaboration between the UK and France

Running from March to November 2024, the UK/France Spotlight on Culture strengthened cultural ties between the UK and France, fostered new artistic exchanges, and expanded international networks.

The UK/France Spotlight on Culture supported 67 projects, reaching a live audience of 997,000 people across both countries. Beyond audience numbers, our evaluation highlights the programme's longer-term impact:

- 70 new partnerships and collaborations were created
- 100 per cent of partners reported they were likely to collaborate again with counterparts in the other country
- 80 per cent of UK-based partners discovered new opportunities to work in France
- 92 per cent of French partners now consider the UK a priority partner for international collaboration.

## Creative economy

*We develop the creative economy as a key driver of sustainable, dynamic and inclusive growth, with the UK being recognised as a global leader.*

### **Strengthening inclusive creative economies in the UK and South-East Asia**

Through our ASEAN–UK Advancing Creative Economy (ACE) programme, the British Council has supported policymakers, creative professionals and industry leaders to build a more inclusive, sustainable and dynamic creative economy across Southeast Asia.

Co-funded by the FCDO and delivered in partnership with the ASEAN Secretariat, the ACE programme expands UK business access to ASEAN markets. It highlights the UK's leadership in creative-economy policy, skills, and innovation, builds influential networks with ASEAN creative leaders and governments, and supports the UK's Modern Industrial Strategy 2025 by positioning culture and the creative economy as drivers of trade and soft power.

### **Supporting inclusive and sustainable growth through the development of cultural and creative industries**

Working across Sub-Saharan Africa our Creative Economy programme helped improve the business capabilities of creative professionals. 94 per cent of participants improved their understanding of the creative economy and 88 per cent strengthened their strategic and business planning skills. Access to commercial opportunities increased significantly: 80 per cent reported improved access to UK-based artists and creative professionals, while 77 per cent expanded regional connections.

## Culture responds to global challenges

*We support the arts sector to respond to global challenges of inclusion and sustainability by capacity building and developing networks, celebrating best practice and giving people access to international showcasing platforms.*

### **Putting communities and cultural heritage at the heart of inclusive growth in East Africa**

In 2024, we launched the second season of Braid Fund across Uganda, Tanzania and Kenya, a collaboration with the Trust for Indigenous Culture and Health (TICAH) that supports innovative, community-led projects.

In 2024–25, artists and cultural practitioners explored new and often experimental ways to engage wider audiences. As a result, over 2,200 people deepened their understanding of local histories, cultural identity and artistic practice through a mix of community research, digital resources, and locally produced publications. More than 1,200 books on East African cultural heritage were printed and distributed, sparking new conversations around heritage, identity and place.

These outcomes demonstrate the power of community-led cultural work to inspire dialogue, strengthen relationships and build more inclusive, connected futures across East Africa.

### **Championing the role of arts and culture in responding to the climate crisis**

We launched Anhar, a bold new partnership with Art Jameel, championing the role of arts and culture in responding to the climate crisis across the Middle East and North Africa.

In 2024 projects across 11 countries showcased diverse, locally rooted approaches. From transforming a Beirut-based cultural space into a solar-powered eco-hub, to participatory storytelling installations in Bahrain and Palestine, to seed libraries in Tangier and rooftop gardens in Casablanca. These initiatives span grassroots community interventions, artistic residencies, infrastructure retrofits and large-scale collaborations with UK based organisations.

Together, these projects demonstrate how creativity can be a powerful tool for resilience, imagination and collective climate action.

# Education

Education is particularly effective at building trust and understanding, because it reaches young people at a formative stage and positive experiences stay with them all their lives. The UK's strength in education makes it an excellent partner for people-to-people, institution-to-institution and government-to-government connections.

**We engaged with 5 million customers face-to-face and almost 50 million online.**

## Student mobility, scholarships and alumni

*We support the higher education sector to attract international students to the UK and create opportunities for UK students internationally. We support a lifelong engagement with international students.*

### Creating a global alumni of international students

Launched in November 2022, Alumni UK is the British Council's global network connecting over 70,000 international graduates of UK higher education institutions and transnational programmes. Recognising alumni as influential leaders and ambassadors, the programme fosters lasting relationships between graduates and the UK. It offers digital platforms, professional development opportunities and funding to support alumni projects worldwide.

By nurturing this network, Alumni UK strengthens UK soft power, supports international career development, and enhances the country's reputation as a leading global education destination and a modern, values-driven nation.

### Supporting the internationalisation of the UK education system

We ran the largest ever student visit of UK pupils to China through the Mandarin Excellence Programme. 1,187 students spent eleven days across ten Chinese cities improving their Mandarin language skills and knowledge of Chinese culture and society. Funded by the Department for Education and the Centre for Language Education and Cooperation, China Ministry of Education, there are currently 80 schools across England participating in the programme and over 12,000 students have benefitted from it since its inception in 2016.

## Improving the experience of international students choosing to study in the UK

The British Council provides training and resources to agents and counsellors as an integral part of the UK's Agent Quality Framework (AQF). The government-endorsed initiative improves the quality, transparency and accountability of education agents who then support and help prospective international students as they consider and apply for study in the UK. During 2024–25, over 39,000 agents from 120 countries engaged with the British Council's training, and more than 18,000 became certified counsellors.

## Education partnerships

*We facilitate higher education, Technical and Vocational Education and Training (TVET), science and school partnerships between the UK and other countries. This develops better quality, more inclusive and globally connected education systems and contributes the UK's knowledge to international education.*

### Growing UK influence through global education partnerships

The British Council's Going Global Partnerships programme connected the UK with tertiary education systems across 66 countries in 2024–25, supporting the UK's International Education Strategy and the UN Sustainable Development Goals.

A key focus was supporting Transnational Education (TNE) with 110 global interventions to expand UK qualifications.

In partnership with UK colleges, we advanced green skills through Technical and Vocational Education and Training (TVET) in 13 countries in Africa and South Asia.

Gender Equality Partnerships (GEP) grants expanded significantly, with 102 active grants promoting safe spaces, women in leadership, subject diversity and pathways into employment.

### Promoting international scientific collaboration

British Council is one of ten partner organisations of the Department of Science, Innovation and Technology delivering the International Science Partnerships Fund (ISPF). During 2024–25 we delivered £9 million in collaborative grant projects between the UK and 11 partner countries. In addition, an Inclusive Early Career Fellowship programme has provided funding to 12 UK Research Organisations to host over 100 postdoctoral researchers from 13 countries/territories for 6–12 month visits.

## UK qualifications

*We create opportunities for people everywhere to achieve their potential by taking UK qualifications.*

### Launching a new partnership with the Royal College of Paediatrics and Child Health (RCPCH)

During 2024–25, we established a new partnership with the Royal College of Paediatrics and Child Health (RCPCH) as their sole delivery partner for in-centre computer-based exams. Working closely with RCPCH and the platform provider TestReach, we developed and managed the successful delivery of the first exams session in January 2025, part of three annual exam series, spanning 18 countries across five regions.

RCPCH joins a growing group of leading medical organisations that trust us to support their international strategy, ensuring exams are delivered to the highest standards of quality and integrity worldwide.

### **British Council Partner Schools: Your World competition**

By equipping young people with essential skills and the confidence to lead, Your World demonstrates the power of education to drive meaningful action and nurture the next generation of global leaders.

The competition, now in its tenth year, has engaged over 30,000 students globally, inspiring them to tackle real-world challenges through creativity, collaboration and critical thinking. In 2025, 3,210 students from 34 countries submitted 642 projects under the theme Skills for Sustainability – Equipping All Youth for the Future, aligned with the UN’s Sustainable Development Goal 4 on Quality Education.

The global winners, from a school in Uganda, addressed women’s unemployment by training young adults and single mothers to set up small businesses to create lasting economic opportunities.

## **Non-formal education**

*We empower young people and future leaders through skills development to contribute to trust-building, cohesion and stability in their societies and to represent their communities on a local and national stage.*

### **Strengthening leadership for the next generation**

Youth Connect equips young people with the skills, connections and aptitude they need to build a brighter future for themselves and their communities. During 2024–25, 1.5 million young people participated in learning events and activities tailored to local contexts. We worked in collaboration with a range of national and international partners including King’s Trust International, HSBC, the Drosos Foundation, Education Above All and the FCDO.

### **Empowering women through investment climate reform**

The EU funded Investment Climate Reform (ICR) Facility promotes youth and women’s economic empowerment by supporting an inclusive business environment across countries in East Asia, Sub-Saharan Africa and the Caribbean. Over 1,500 individuals from more than 60 countries have benefited from ICR’s support of reform and capacity-building, contributing to more gender-responsive policies and mindset shifts.

# English

English is a global language for communication. It is the principal language of science, trade, tourism, the internet and of higher education and academia. English language skills increase opportunities for all, including girls, women and marginalised groups across the world.

**We engaged with 3 million customers face-to-face and 114 million online.**

## Systems

*We enable education systems to support inclusive, quality teaching, learning and assessment of English, widening knowledge of the English language and empowering people to access global opportunities and connections.*

### **Raising the English language proficiency of teachers in Rwanda**

Secondary Teachers English Language Improvement Rwanda (STELIR) is our first partnership with the Mastercard Foundation (USD\$ 10 million, 2022–2025), supporting the Rwandan state education system.

The project improves English language proficiency of pre-service and in-service lower secondary teachers, ultimately improving learning opportunities for secondary pupils.

To date, STELIR has reached 10,081 teachers, teacher educators, and school leaders. Results have been strong with 95 per cent of lower secondary teachers and 97 per cent of pre-service teachers who have participated in STELIR courses now at the target level of strong intermediate or above in spoken English.

### **Developing a CPD framework for teachers in Armenia**

At the request of The Ministry of Education, Science, Culture and Sport in Armenia, the British Council designed a framework of continuing professional development (CPD) for teachers. The aim was to upgrade the existing teacher attestation system, take a more systematic approach in line with international practices and provide opportunities for a wider range of CPD providers. The resulting framework, endorsed by the Ministry and ratified by parliament, was fully aligned to Armenia's educational context based on the British Council's research-based model.

## Empowerment

*We support empowerment of girls and those affected by conflict to make more informed life choices in the future by building their English language, digital and other skills.*

### Empowering girls, young women and youth skills

Since 2016, we have reached 30,000 participants through the English and Digital for Girls Education (EDGE) and English Skills for Youth (ESY) projects in Ethiopia, Myanmar, Bangladesh, India, Nepal, Pakistan and Sri Lanka.

EDGE works with out-of-school adolescent girls (13–19 years of age) in socio-economically marginalised communities by improving their English proficiency, digital skills, awareness of social issues, and self-confidence. ESY works with young women and men from similar backgrounds, who are studying at technical colleges and equips them with the language and work skills to help them find employment.

An evaluation of the long-term impact of EDGE conducted in 2024 indicated a significant impact on confidence and improvement of life skills.

### Empowering those affected by conflict, displacement and crises

We have expanded our support for students and teachers affected by conflict, emergency, forced displacement and crises in Ukraine, the South Caucasus, Eastern Europe, the Levant and Uganda. In 2024–25, we worked face-to-face with over 5,000 English teachers to help them understand the impact that conflict and displacement can have on their students and themselves, and helped them build networks to share best practice and mutual support. In Ukraine for example, Teacher Activity Groups connect over 4,000 teachers in every region of the country, including those under occupation. Participants themselves have driven the expansion, sustained by an active online network.

Where English is the language of education, we have helped teachers develop their understanding of the multi-lingual classroom. This means that schools with refugees from different linguistic backgrounds focus on valuing linguistic difference, making it a benefit for all, rather than an obstacle to success. Over 100,000 children have indirectly had their learning impacted by these resources, training and networks.

## Teaching and learning

*We support the professional development of individual teachers and teacher educators and teach English across all ages to help build core skills, critical thinking and shape new ideas.*

### Empowering teachers and teacher educators worldwide

As the world's largest global community of English language teaching professionals and practitioners, 2024–25 saw 38 million views of our live and recorded events on our TeachingEnglish global platforms and over seven million visitors to our TeachingEnglish website, which provides free online teaching and professional development resources and content. We supported 98 speakers from diverse teaching contexts across the world to present on the global stage.

## LearnEnglish website

In 2024–25, our free LearnEnglish website marked its 25th year, continuing to be one of the world's most widely used free English learning resources. The site attracted 27 million visitors, with strong engagement results.

- Almost 5 million users completed activities or downloaded resources.
- 600,000 subscribed to communications.
- Nearly 500,000 users were referred to English Online.

## English Online

English Online (EOL) is our paid live online platform providing classes with expert British Council teachers, flexible study options and a learning experience tailored to the learners' goals, whether they want to speak more confidently, succeed in their career or prepare for IELTS.

EOL expanded its global reach significantly in 2024–25, teaching more than 130,000 students from 106 countries, a 24 per cent increase on the previous year. Engagement was also strong, with over 1.5 million live class and webinar bookings, representing 25 per cent year-on-year growth.

## Assessment

*We provide English language assessments enabling individuals to access life, study or work opportunities internationally or in their own countries and change lives.*

### Improving access to English testing

The International English Language Testing System (IELTS) is the world's most widely used English language proficiency test for higher education and global migration. It is trusted by more than 12,000 organisations globally and recognised by educational institutions, employers, governments and professional bodies around the world. As one of the pioneers of English language testing more than 30 years ago, IELTS continues to set the standard today. The British Council co-owns IELTS with IDP Education Australia and Cambridge University Press and Assessment.

In 2024 we offered wider choices to more IELTS customers, and especially requirements for online testing.

We want to ensure customers can give their best, most natural performance when it comes to taking IELTS. To improve their readiness, we introduced a new preparation product to help customers familiarise themselves with IELTS and focus on their English skills. Using generative AI, our new products can access indicative IELTS scores and provide feedback on specific areas of improvement in their language skills.

We extended IELTS Online across Europe to 25 countries. This increased IELTS accessibility to prospective students in more than three thousand cities, complementing existing face-to-face services offered in approximately two hundred test centre locations on the ground. Last year some 25 per cent of our growth in the EU IELTS delivery was attributed to the new online product.

Beyond Europe, IELTS Online was offered in a further 28 countries where the British Council does not have an operation on the ground.

### **Supporting people in conflict zones**

We are committed to delivering IELTS as widely as possible including to provide pathways for people living in areas affected by conflict, instability and crises.

Our ability to deliver tests in the most accessible way – whether by switching to online, at-home formats, or running pop-up sessions – has enabled us to facilitate greater access around the world. We provided IELTS testing in Lebanon, Libya and Iraq, switching to an online offer in Ukraine and the Palestinian Territories where we had to close our test centres. Our colleagues in the Middle East worked hard to deliver weekly IELTS sessions in Yemen by partnering with emerging AI company New Horizons.

We supported thousands of refugees by helping them to access life-changing English tests, in particular helping over 2,000 Afghan refugees in Pakistan to take the next step in their lives.

We also partnered with UNHCR to offer free English testing to refugees globally. So far, refugees in Africa, Middle East, Asia, Americas and Australia have been able to access English testing through IELTS.



# Our performance

# Our performance

The summary of performance in this section is presented against each of the strategic priorities outlined in the Introduction and summary section of this report.

## Focus on what we are best at

We have covered our performance against this strategic priority in the Achievements and Programmes and services sections. Here we share more detail on scale, quality and partner feedback.

In Autumn 2024, we surveyed 890 stakeholders (264 in the UK, including 18 in-depth interviews, and 626 globally). A key strength identified was our ability to build networks and connections. Globally, 40 per cent engaged with us for expertise in arts, education and English. In the UK, 45 per cent sought market insights and partnerships, and 75 per cent said we effectively facilitated international collaboration. Nearly 68 per cent reported increased international visibility through working with us.

Audience engagement rose by 50 million to 205 million (English 117 million, Education 55 million, Arts 33 million), driven by more learners using LearnEnglish and teachers engaging with TeachingEnglish. Online engagement also grew through Study UK and increased participation in arts and cultural events.

The engagement figures for 2024–25 compared to the two previous years can be seen in table below:

All figures in millions	2022–23	2023–24	2024–25
<b>Face-to-face</b> People participating in activity where they come into personal face-to-face contact with others, including teaching centre students, examination candidates, teachers and learners	8.1	7.3	8.5
<b>Exhibitions, festivals and fairs, and performances</b> People attending exhibitions, live arts performances, and arts and education fairs and festivals	7.2	9.7	11.1
<b>Virtual live</b> Attendees to a live virtual event	5.3	15.7	11.0
<b>Virtual recorded</b> Viewers of a recorded virtual live event	90.3	122.1	175.0
<b>Total:</b>	<b>110.9</b>	<b>154.8</b>	<b>205.6</b>

## Deliver a unique mix of physical and digital presence

As outlined above, our actual digital engagement and interaction with our content continues to increase through virtual live and recorded events and digital marketing content.

However, digital reach (digital social media and learning and digital online audience) has reduced by 33million (246 million) year-on-year due to fewer people accessing IELTS country sites following a reduction in demand.

### Reach figures:

All figures in millions	2022–23	2023–24	2024–25
<b>Digital social media and learning</b> Through digital professional, educational and English learner communities on social networks	48	50	51
<b>Digital online audience</b> Audiences to British Council digital arts, education and English (including teaching and examinations) content – through websites, mobile devices and applications	206	229	195
<b>Broadcast and publications</b> People participating by watching, listening to or reading British Council-produced or co-produced content in television services, via radio and in print	346	310	352
<b>Total:</b>	<b>600</b>	<b>589</b>	<b>598</b>

While we have maintained our physical network in 102 countries, we are revising our geographical model in 2025–26 to ensure this remains cost effective and to ensure that we are present in locations where we can maximise our impact and influence.

## Maintain collaborative independence

In 2024–25, we continued to support the UK Government’s long term foreign policy goals, in close partnership with the Foreign, Commonwealth and Development Office (FCDO). This included aligning our work with the Foreign Secretary’s six priorities, our CEO representing the British Council on the FCDO-DCMS UK Soft Power Council and contributing to the UK Government’s Soft Power Strategy. We supported the FCDO with the What Works Hub for Global Education, by taking on a convening role, and helping connect research to policy by leveraging our trusted relationships in country with researchers, donors and development partners.

A survey of FCDO Heads of Mission saw 82 per cent agree that the British Council’s country strategy aligns with FCDO Business and Country Plans, and 79 per cent agree that the British Council achieves results as a delivery partner. There was also recurring feedback that the British Council could achieve even more with increased funding and resources, and that without this the ability to deliver impact for the UK is reduced.

Close strategic partnerships with other UK Government departments included: leading on the Study UK programme for the GREAT Campaign; delivering the Cultural Protection Fund for DCMS; working with DBT and DfE to support the UK International Education Champion with his overseas activities, the delivery of the UK International Education Strategy and the Education World Forum; partnering with DSIT to support delivery of the International Science Partnerships Fund (ISPF); and funded by the MHCLG and Home Office delivering English training in the UK for refugees from over 40 countries. As part of the IELTS Secure English Language Test Consortium working for the Home Office, we delivered nearly 90 per cent of all SELT tests globally.

We supported the international agendas of the devolved governments, administrations and city councils in Northern Ireland, Scotland and Wales.

- In November 2024, in partnership with Belfast City Council, we supported a series of international creative commissions that explored the theme of Art and the Public Realm and brought international perspectives to Belfast 2024, the city’s year of culture.
- In Scotland, our annual partnership programme Momentum, delivered in partnership with Creative Scotland and Festivals Edinburgh, welcomed six country/regional delegations (Turkey, Nordics, Vietnam, South Korea, Middle East, Poland) and two art form specialist delegations (Visual Art & Literature) to Edinburgh for art leaders to connect with the Festivals and the wider Scottish sector. The bespoke nature of the programming resulted in a healthy success rate, with each delegation initiating at least one follow up project within three months.
- To support the Welsh Government’s Year of Wales and India 2024, we partnered with Wales Arts International/Arts Council of Wales and invested in six projects through a dedicated culture fund. These projects focused on deepening existing cultural relationships between artists from Wales and India, sharing talents, skills and opportunities to enrich each other’s cultures.

## Be one British Council with an attractive culture

The ‘Together we thrive campaign’ was launched in 2024 to support leaders and colleagues to further strengthen and increase understanding of our organisational culture and values. The campaign has focussed on ‘fostering inclusion’ and ‘empowering people’, providing resources, guidance and events for teams.

Despite the positive response and evaluation of this campaign, our latest annual staff survey in March 2025 (response rate of 58 per cent) showed a decline in staff engagement overall (from 57 per cent in 2024 to 50 per cent in 2025) and across all engagement questions, with some positive scores in working environment and values. The decline is largely due to concerns about job security and financial instability.

## Be professional and constantly learning

As set out in the Financial review section of this report, the British Council's teaching and exams income decreased slightly to £702 million this year (2023–24: £704 million).

We continue to face a very challenging financial situation. There was lower demand in some IELTS markets across Sub-Saharan Africa and South Asia due to changes in International Student Mobility policies, which has led to students opting to study through a UK Transnational Education partnership and new destinations where an IELTS test is not mandatory. This has been partly offset by continued growth in China IELTS.

Continued pressures from foreign exchange rates in some countries and trapped cash issues are impacting the value of the income we are generating.

To respond to significant financial challenges in our model, and as part of a new strategy, we are in the process of mobilising our 'turnaround plan', which mobilises a combination of growth and cost reduction initiatives.

We closed the Professional Services Transformation Programme on 31 March 2024, except for Finance which will continue as a separate programme. Through this programme we have successfully built foundations for ongoing change by moving operations to Tata Consultancy Services (TCS) while handling thousands of daily transactions and innovating to achieve further savings. The programme has also introduced new technology – MyProcurement, MyCareer, and Global Service Desk Live Chat to provide faster and better support to the organisation.

**As well as the five strategic priorities specified above, we have a particular focus on equal opportunity and fighting climate change, as part of our wider commitment to social value.**

## Equal opportunity

We continue to improve our systems and processes to reduce barriers and promote equality of opportunity across the organisation. Our new recruitment system enables us to remove identity data, helping us to tackle bias in recruitment; we have started to capture socio-economic background data in the UK, conducted research into how socio-economic background data may be captured in sub-Saharan Africa; and we have further strengthened the evidence base for the planning and management of equal opportunity.

As outlined in the Achievements and Programme sections earlier, we continue to provide opportunities for marginalised groups. For example, our work in Skills for Inclusive Digital Participation (SIDP) in Kenya, Nigeria, Indonesia and South Africa, earned a funded extension in recognition of its success. The programme created opportunities for digitally excluded individuals to develop the skills they need to participate fully in the digital economy and wider society.

Barriers to equal opportunity are different across our global network. Our teams have individual, evidence-led EDI action plans to help ensure resources are used appropriately to strengthen inclusion.

- For example, Stride, our global leadership development programme focused on inclusive leadership and exploring barriers to senior levels. The programme included development masterclasses, drop-in sessions with senior leaders, coaching pods and mentoring. Post programme, for the first time, the representation of women in the most senior leadership grades in English and Exams is equal to that in management and professional grades.

The Deputy Chief Executive Officer, who is also the organisational Race Champion, began a series of global sessions focused on how racism manifests differently in different cultural contexts and what might be done to challenge this.

Performance against representational targets is summarised in the table below. As can be seen, there is room for improvement in several areas, especially in relation to disabled staff in senior roles.

EDI category	2022–23 result	2023–24 result	2024–25	2024–25 target
Women in senior posts (UK)	44.3%	46%	47.5%	50%
Women in senior posts (global)	45.9%	50%	47.8%	50%
Minority ethnic staff in senior roles (UK)	8.5%	7.1%	11.1%	16%
Black staff in senior roles (UK)	1.9%	1.8%	2%	3.5%
Disabled staff in senior roles (UK)	6.1%	5.4%	3.6%	7%
Disabled staff in senior roles (global)	2.1%	4.7%	2.6%	7%

## Promoting disability inclusion

The British Council promotes disability inclusion internally and where feasible across its products, services and events.

Internally, we have identified a number of priorities as we seek to tackle barriers to participation for disabled people and the Director of Cultural Engagement is now our Disability Champion. A review of our reasonable adjustment policy and process is nearing completion after engagement with internal and external stakeholders. Digital accessibility has been a focal area this year as we seek to ensure conformity to external accessibility standards and coming regulatory changes in Europe.

Externally we continue to focus on providing opportunities for disabled people around the world and advocating for the dismantling of barriers to the full inclusion of disabled people in society. Two examples include sharing the work of [AAWAZ II](#) at the [World Disability Summit](#) and bringing together disabled people, and leaders in Egypt for the Towards a More Inclusive Future event to discuss and share practical recommendations for policy making.

We promote disability inclusion through our language assessment activity. With our Aptis English language test for example, the needs of disabled customers are considered in content production, quality review and test delivery. The Aptis test is one of the few computer-delivered English language tests on the market that provides special accommodations online with its accessibility features built into the platform. Such features include zoom-in functionality for visually impaired candidates and extra time for all written components (Listening, Reading, Writing, Grammar and Vocabulary) for test takers with dyslexia, physical, mobility or motor impairment, learning difficulties, and cognitive disorders. We also create and approve new formats of the test when necessary (e.g. pen-and-paper tests with a larger font or in braille) and the use of assistive technology and support equipment such as special magnifying equipment or text-to-speech computer aids.

## Fighting climate change

We support the UK's contribution to international leadership in climate change through arts and culture, education and English. We engage with leaders, institutions, youth and communities in a constructive response to global climate challenges.

During 2024–25 we provided a range of opportunities for people to participate in meaningful dialogue and bring about real change through our global programmes and bespoke bilateral partnership projects. Our objectives and a selection of our achievements are highlighted below.

### **We are committed to strengthening climate and sustainability education and research and helping to build the resilience of education systems to climate impacts.**

- We empower English teachers worldwide through our professional development resources, enhancing their knowledge, skills and agency for climate resilience and action. 2024–25 saw 8,452 enrolments on our TeachingEnglish Climate action in language education course. A 2024 evaluation found that 86 per cent of 800 participants surveyed had deepened their awareness of climate change and learned how to integrate it into their teaching.
- Through our long-standing partnership with the University of Edinburgh, the Learning for a Sustainable Future and Live at COP29 online courses reached 7,381 learners worldwide, showcasing how climate education and youth engagement can inspire climate action.

### **We are committed to supporting young people and future leaders to build their skills and knowledge to respond to climate change and empower them to be part of the just transition to a more sustainable future.**

- Our continued support of YOUNGO (the children and youth constituency of the United Nations Framework Convention on Climate Change – UNFCCC), including silver sponsorship of the COY19 Conference of Youth, helped 500 participants attend training and advocacy initiatives, contributed to the creation of the Global Youth Statement handed to the COP29 President, and generated 200,000 social media interactions.
- We helped to equip 303 young climate negotiators from 63 countries with key negotiation, communication and climate policy skills through our grant to support the Climate Youth Negotiator Programme, and supported 139 negotiators to attend COP29, where they built connections and lasting peer networks.

### **We are committed to protecting cultural heritage at risk from climate change, raising the awareness of climate change and biodiversity loss through arts and culture and supporting the sector to adopt more sustainable practices.**

- Through our Cultural Protection Fund, founded in partnership with the Department for Culture, Media and Sport, we have funded 33 projects worth £6.7 million that safeguard heritage from climate change since 2020. In 2024–25, we allocated £3.14 million to 22 projects.
- We continued to support a series of projects globally that bring together art, science and climate action. In 2024–25, we awarded 71 grants totalling over £1.6 million to raise awareness of climate change and biodiversity loss, empowering communities to engage with environmental challenges through climate education and creative practice.

### **We are committed to decarbonising our activities and operations and being environmentally responsible.**

- In 2024–25, we reduced global carbon emissions by 53 per cent, from a 2017–18 baseline, surpassing our 33 per cent reduction target for 2026. Emissions from business travel decreased by 65 per cent and building energy emissions decreased by 38 per cent. Overall emissions in our UK offices were reduced by 75 per cent.
- Our offices in Dubai, Colombo and Port Harcourt piloted measures to save energy and reduce carbon emissions, such as the installation of solar panels, which are now supplying a significant proportion of these locations' energy needs.

**We are committed to building our organisational capacity and capability to deliver our climate ambitions and share knowledge and best practice.**

- In Baku, Azerbaijan, at COP 29 and COY 19, we collaborated with strategic partners, UK and local governments, and young people to advocate for the vital role of education, arts and culture in addressing climate change.
- In collaboration with 35 partners, we organised and contributed to 24 sessions and activities at COP 29, directly reaching 6,394 people (4,734 online) and a further 63,000 people through social media.

**Our carbon data results for 2024–25**

We have committed to net-zero emissions by 2040 at the latest and have started to plan our carbon reduction pathway. We remain on track to achieve our 33 per cent reduction target by 2025/26 from our 2017/18 baseline.

The table below shows our progress against targets:

	2017–18 actuals (tCO <sub>2</sub> e) baseline	2022–23 actuals (tCO <sub>2</sub> e)	2023–24 actuals (tCO <sub>2</sub> e)	2024–25 actuals (tCO <sub>2</sub> e)	2025–26 target (tCO <sub>2</sub> e)
<b>Scope 1 emissions</b> Direct greenhouse gas emissions occur from sources that are owned or controlled by the British Council, e.g. from boilers, generators or vehicles	1,321	918	691	752	885
<b>Scope 2 emissions</b> Indirect greenhouse gas emissions are from the generation of purchased electricity and heat consumed by the British Council	15,316	11,060	10,498	9,897	10,260
<b>Scope 3 emissions</b> All other indirect emissions occurring at sources we do not own or control across the entire value chain	33,701	8,065	15,602	12,737	22,580
<b>Total</b>	<b>50,338</b>	<b>20,043</b>	<b>26,791</b>	<b>23,386</b>	<b>33,725</b>



# Governance statement

# Legal form and structure

## Constitution and charitable purpose

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

The Royal Charter governs our work and states the British Council's charitable purpose in its objects. The British Council's objects are 'to advance, for the public benefit, any purpose which is exclusively charitable and which shall:

- a. promote cultural relationships between the people of the United Kingdom and other countries
- b. develop a wider knowledge of the English language and
- c. encourage educational co-operation between the United Kingdom and other countries, support the advancement of United Kingdom education and education standards overseas, and otherwise promote education.'

The Trustees have given consideration to the Charity Commission for England and Wales's and the Office of the Scottish Charity Regulator's 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. Further information on activities undertaken during the reporting year can be found within the 'Our programmes and services across the network' section of this report (pages 12–22).

## Group structure

The British Council heads a corporate group structure which includes subsidiary undertakings in the UK and overseas. These have been established, for reasons of legal and tax compliance, to further the British Council's charitable objects and to generate income for use by the charity. The names, countries of registration and principal activities of the subsidiary entities in the British Council Group during the reporting year are provided in note 12 to the accounts.

## Connected charities

The British Council is the sole corporate trustee of two charitable trusts, each separately registered with the Charity Commission for England and Wales: the Sir Shiu Kin Tang Educational Trust and the Lefèvre Trust. Our involvement with these trusts is consistent with, and contributes to, the achievement of the British Council's goals.

# Relationship with the FCDO and other stakeholders in 2024–25

The British Council receives grant-in-aid from, and is sponsored by, the Foreign, Commonwealth and Development Office (FCDO), from which the British Council has operational independence. The relationship between the British Council and the FCDO is set out in the Framework Document, available on the British Council's website. This applied throughout the reporting year and remains effective at the date of signing this statement.

As well as its legal status as a charity incorporated by Royal Charter, the British Council is administratively classified by the Office of National Statistics and Cabinet Office as a public non-financial corporation (primary classification) and as an executive non-departmental public body (secondary classification).

To ensure the greatest value for the UK, the British Council is firmly committed to strategically aligning its work to the relevant long-term policy priorities of the whole of the UK. This includes supporting the broad policy interests and priorities of the UK government, as well as the devolved governments in Northern Ireland, Scotland and Wales.

Our strategy and corporate plans are developed in consultation with stakeholders and partners across the UK, the British Council's advisory bodies, the UK government and the devolved governments in Northern Ireland, Scotland and Wales. They also draw on our understanding and assessment of the needs of our diverse partners overseas.

# Governance codes

## Charity Governance Code

We have reviewed our governance arrangements against the principles and recommended practice for larger charities in the Charity Governance Code, which was originally published in 2017 and refreshed at the end of 2020.

The Charity Governance Code is deliberately aspirational. It is endorsed by the Charity Commission for England and Wales but compliance with the code is not mandatory.

During the reporting year the British Council applied, and continues to apply, all the principles and the majority of the applicable supporting recommended practice. Some practice recommended by the Charity Governance Code is specific to membership organisations and so is not relevant to the British Council.

## Corporate governance in central government departments: code of good practice 2017

The central government code is intended for the advisory boards of UK government departments whose composition and role differs from that of a board of a charity, such as the British Council, composed of unremunerated trustees with specific legal responsibilities under charity law.

Under the Framework Document, which came into effect in March 2024, the British Council is no longer required to comply with the central government code.

# The Board of Trustees

The British Council's Royal Charter and Bye-Laws vest all the powers of the British Council in its Board of Trustees (the Board). The Trustees are responsible for governing the British Council. They must ensure that it is solvent, well-run and delivering the charitable objects, for the benefit of the public, for which it has been established.

Under the Royal Charter and Bye-Laws the Board must comprise between 10 and 15 Trustees. Trustees who have served during the reporting year are listed on page 54.

Dr Paul Thompson CBE served as Chair throughout the reporting year. Sarah Sands served as Deputy Chair until stepping down from the Board on 16 May 2024, following which the Deputy Chair post was vacant for a period<sup>2</sup>. Baroness Wendy Alexander of Clevedon, an existing Trustee, was duly appointed Deputy Chair from 1 December 2024.

The Trustees are not remunerated but may be reimbursed for reasonable expenses that they incur on British Council business, in line with the Trustee Travel and Expenses Policy. The Royal Charter and Bye-Laws specifies how Trustees' conflicts of interest must be managed and requires a register of Trustees' interests to be maintained. The register is updated at least annually and is available on the British Council's website.

The most recent externally facilitated review of the effectiveness of the Board and its sub-committees was conducted in the latter part of 2023–24. Overall, the review found that the Board was operating effectively, with a good level of trust between the Board and the Senior Leadership Team. A number of recommendations were made but none were deemed critical. These were mainly focused on stakeholder engagement and diversity and have since been addressed.

## Trustee recruitment and induction

The Nominations and Governance Committee (formerly the Nominations Committee) identifies the Selection Panel for the appointment of new Trustees. As and when required, the Chair leads the recruitment of a new Deputy Chair, and the Deputy Chair leads the recruitment of a new Chair. Alternative arrangements can be and are made where necessary, for example, where there is an unavoidable conflict of interest.

Under the Royal Charter and Bye-Laws, Trustees may be appointed in three ways.

- The Secretary of State for Foreign, Commonwealth and Development Affairs has the right to nominate three Trustees. During the reporting year these posts were held by Richard Hookway, David Lefevre, and Dr Christian Turner KCMG. Following the end of the reporting year, Dr Christian Turner KCMG stepped down from the Board on 29 September 2025, with Neil Wigan OBE taking up the post vacated from 30 September 2025.
- By convention, one Trustee post at a given time has been held by the Chair of the Northern Ireland, Scotland or Wales country advisory committees (further information on page 40), co-opted on a rotating basis for a two-year period. During the reporting year this post was held by the Chair of the Northern Ireland Committee, Dr Katy Radford MBE, whose tenure was temporarily extended following the end of the reporting year, until 30 September 2025. The Board decided to end the rotational co-option arrangement following the end of the reporting year, to allow for increased Board engagement with the chairs of all country advisory committees throughout the year.

<sup>2</sup> Sarah Sands also served as Acting Chair from 1 January 2023 until 3 January 2024.

- All other Trustees, including the Chair and the Deputy Chair, are elected by the Board following an open recruitment process, with appointments to the offices of the Chair and the Deputy Chair also subject to the prior approval of the Secretary of State for Foreign, Commonwealth and Development Affairs<sup>3</sup>.

Elected Trustees are appointed to the Board for a term of three years, with the possibility of re-election for up to a further three years. Re-election to the offices of the Chair and the Deputy Chair is subject to the prior approval of the Secretary of State for Foreign, Commonwealth and Development Affairs. Nominated Trustees are appointed for one or more terms not exceeding six years in total. Up to two non-British citizens may sit on the Board at any given time.

The induction programme for new Trustees includes a programme of briefings from senior managers and a comprehensive induction pack addressing the Trustees' legal responsibilities, public sector requirements and the work of the British Council.

## The Board's work during 2024–25

There were six formal Board meetings held in 2024–25. One of these was held in Northern Ireland, where the Board was pleased to engage with key stakeholders in person. This reflects the Board's continued commitment to representing the interests of the whole of the UK.

Matters considered by the Board during the reporting year included:

- the British Council's ongoing recovery from the impacts of the Covid-19 pandemic and increasing global economic and security challenges
- funding provided by the FCDO, including a loan extension
- updates on the Transformation Programme initiated in 2021–22<sup>4</sup>
- the acquisition of BC EnglishScore Limited, a former joint-venture, to complement the existing English testing portfolio and enhance strategic alignment
- the approval of various commercial contract bids.

The Board continued to receive regular updates from its sub-committees and from senior executives throughout the reporting year. This included updates on UK and international affairs, financial updates, and organisational performance and impact reports. The Board also approved updated terms of reference for its sub-committees in line with best practice.

In addition, the Board held a strategy away day during the reporting year, where it provided direction and input into several important areas. This included the British Council's global education strategy, as well as ongoing work to develop and align the British Council's people, skills and culture with the organisation's overall direction of travel.

The Board continued to meet regularly following the end of the reporting year. Decisions taken during this period, up until the date of signing this statement, included:

- approval of the sale of the British Council's School in Madrid (the Madrid School) to a respected international education provider
- approval of a new Global Change Programme, to adapt further still to the fast-moving and uncertain external environment, as well as undertake further work needed in parallel to address the organisation's financial sustainability
- approval of a new organisational strategy for the period to 2030.

Governance statements prepared in compliance with HM Treasury's Managing Public Money are required to comment on the quality of data used by boards and why it is found to be acceptable. The Board drew assurance over the quality of the information provided to it during the year from the review of Board papers by the relevant senior executive, including the Chief Executive where appropriate, prior to submission to the Board and, in certain cases, from prior review of the papers by the Board's sub-committees.

Further information about the Board's work during the reporting year (and since) is available in the Board minutes published on the British Council website.

<sup>3</sup> The Baroness Cleveden's appointment as Deputy Chair was in accordance with this process, though with some adjustment reflective of her role as an existing trustee.

<sup>4</sup> The Transformation Programme was completed in March 2025.

## The Board’s sub-committees

The Board’s decision making is supported by detailed oversight and scrutiny carried out by its sub-committees, with the Board’s authority in some specified areas also delegated to its sub-committees. During the reporting year the Board continued to be supported by five standing sub-committees (unchanged from the previous year): Audit and Risk, Commercial, Finance, Nominations, and Remuneration and People.

The terms of reference for each of the sub-committees were last fully reviewed and approved by the Board in March 2025, with some further refinements agreed by the Board following the end of the reporting year<sup>5</sup>.

The minutes of standing sub-committee meetings, excluding those of the Nominations and Governance Committee (formerly Nominations Committee) and Remuneration and People Committee, are shared with the full Board. The current terms of reference for each of the standing sub-committees, as well as protocols for their operation, are available on the Board page of the British Council’s website.

The membership of the standing sub-committees as at 31 March 2025 is shown on page 54. The sub-committees have continued to meet regularly following the end of the reporting year, in accordance with revised terms of reference where applicable.

Committee (as constituted at 31 March 2025)	Overview
<b>Audit and Risk</b>	<ul style="list-style-type: none"> <li>• Reviews key aspects of the British Council’s systems of corporate governance, risk management and internal control, including oversight of the arrangements for and work of internal audit and external audit.</li> <li>• Comprised three Trustee members and one external member on 31 March 2025.</li> <li>• Held four formal meetings in 2024–25.</li> <li>• No significant changes to terms of reference for 2025–26.</li> </ul>
<b>Commercial</b>	<ul style="list-style-type: none"> <li>• Reviews the British Council’s commercial English teaching and examinations activities, including oversight of strategic partnerships and the development of new products in these areas.</li> <li>• Comprised four Trustee members on 31 March 2025. A decision was taken not to replace an external member who reached their term limit during the reporting year.</li> <li>• Held seven formal meetings in 2024–25.</li> <li>• Revised terms of reference for 2025–26 include additional responsibility for scrutinising high-value contracts related to the British Council’s work in the arts, education and creative economy. Additionally, the Commercial Committee is providing strategic direction in respect of English teaching and examinations initiatives within the Global Change Programme.</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Reviews the British Council’s financial plans, including proposed high-value investments, and monitors financial performance, including cashflow forecasts.</li> <li>• Comprised four Trustee members on 31 March 2025. The Finance Committee has no external members.</li> <li>• Held 11 formal meetings in 2024–25.</li> <li>• Revised terms of reference for 2025–26 include additional responsibilities for providing Board-level scrutiny of the Global Change Programme and approval of investments and divestments up to a specified limit.</li> </ul>

<sup>5</sup> The Board approved some changes to the responsibilities of the Commercial Committee, Finance Committee, and Nominations Committee (renamed the Nominations and Governance Committee) following the end of the reporting year.

Committee (as constituted at 31 March 2025)	Overview
<b>Nominations</b>	<ul style="list-style-type: none"> <li>• Reviews the Boards' composition and leads the recruitment of Trustees and the Chief Executive.</li> <li>• Comprised three Trustee members on 31 March 2025. The Nominations Committee has no external members.</li> <li>• Held three formal meetings in 2024–25.</li> <li>• Revised terms of reference for 2025–26 include additional responsibility for advising on Board-related governance arrangements, from July 2025. Renamed the Nominations and Governance Committee.</li> </ul>
<b>Remuneration and People</b>	<ul style="list-style-type: none"> <li>• Reviews the British Council's people and workforce strategy and leads on the Senior Leadership Team's performance evaluation and remuneration.</li> <li>• Comprised four Trustee members and one external member on 31 March 2025.</li> <li>• Held two formal meetings in 2024–25.</li> <li>• No significant changes to terms of reference for 2025–26.</li> </ul>

## Audit and Risk Committee

Chaired by Richard Hookway, throughout the reporting year and into the following year, the Audit and Risk Committee maintains oversight of key aspects of the British Council's systems of corporate governance, risk management and internal control, including internal audit and external audit.

During 2024–25 the Committee held four formal meetings. Matters considered by the Committee included a review of the proposed statement of risk appetite (prior to submission to the Board), quarterly risk reports, and update reports on the continuous improvement of the British Council's internal control environment (including cybersecurity). The Committee scrutinised the preparation of the Annual Reports and Accounts 2023–24, considered related reports from External Audit, and received regular update reports from Internal Audit. Under delegated authority from the Board, the Committee also considered reports on any serious incidents to be reported to the Charity Commission for England and Wales as and when required.

The Committee continued to exercise Board-level scrutiny of the British Council's Transformation Programme initiated in 2021–22, until its completion in March 2025.

There have been no significant changes to the responsibilities of the Committee following the end of the reporting year. David Todd joined the Committee upon his appointment as a Trustee, from 13 May 2025, and assumed the position of Committee Chair, from 1 January 2026.

## Commercial Committee

Chaired by Sushil Saluja, the Commercial Committee is primarily focused on work in the areas of English teaching and examinations. The Committee examines the British Council's charitable activities undertaken on a commercial basis and assures their effective and transparent management in line with corporate objectives.

During 2024–25 the Committee held seven formal meetings. Matters considered by the Committee included commercial performance and investment update reports, the proposed acquisition of BC EnglishScore Limited (prior to submission to the Board), higher education strategy, teaching strategy, digital product development and growth, and country deep-dives.

The Committee has assumed some additional responsibilities following the end of the reporting year, which are summarised on page 37.

## Finance Committee

Chaired by Mark Beddy, until 25 July 2024, and then by Fiona Salzen, for the remainder of the reporting year and into the following year, the Finance Committee scrutinises financial plans, performance and forecasts, including monthly cash forecasts.

During 2024–25 the Committee held 11 formal meetings. Matters considered by the Committee included a review of monthly management accounts, cash flow forecasts, and regular updates on FCDO funding (grant-in-aid funding and loan arrangements). The Committee also received and considered regular updates on the sale of the Madrid School. The Committee scrutinised the preparation of the annual budget for 2025–26 (prior to submission to the Board). From February 2025, the Committee provided strategic direction and input on the development of the Global Change Programme, which was later approved by the Board.

The Committee has assumed some additional responsibilities following the end of the reporting year, which are summarised on page 37. Fiona Salzen left the Board (and its sub-committees) on 31 December 2025. Richard Hookway joined the Committee and assumed the position of Committee Chair, from 1 January 2026.

## Nominations Committee (now Nominations and Governance Committee)

Chaired by Dr Paul Thompson CBE, the Nominations Committee monitors the composition of the Board to ensure it provides the expertise and experience needed for the effective stewardship and governance of the British Council. The Committee also actively monitors and aims to increase the diversity of the Board and leads on the recruitment of elected Trustees and the Chief Executive as and when needed.

During 2024–25 the Committee held three formal meetings. Matters considered by the Committee included the appointment of a new Deputy Chair, the appointment of four new Trustees, a review of the convention by which one Trustee post at a given time has been held by the Chair of the Northern Ireland, Scotland or Wales country advisory committees, and review of the Board diversity statement.

The Committee has assumed some additional responsibilities following the end of the reporting year, which are summarised on page 38. At the same time, it was renamed the Nominations and Governance Committee.

## Remuneration and People Committee

Chaired by Sarah Sands, until 16 May 2024, and then by Sir Stephen Deuchar CBE for the remainder of the reporting year and into the following year, the Remuneration and People Committee sets the annual performance measures and policy for the Chief Executive's remuneration and benefits and agrees the Chief Executive's annual performance evaluation. It also sets the policy for the remuneration of other members of the Senior Leadership Team and reviews and agrees their performance evaluation reports, ratings and eligibility for bonuses. The full Senior Leadership Team remuneration report is available on pages 61–69.

The Committee annually reviews remuneration packages for staff that exceed £100,000 per year. It also considers the impact of its work on remuneration policy for the organisation as a whole, maintains oversight of risks related to our workforce (people), oversees our equality, diversity and inclusion approach and addresses any other matters referred to it by the Board.

During 2024–25 the Committee held two formal meetings.

There have been no significant changes to the responsibilities of the Committee following the end of the reporting year. Sir Stephen Deuchar CBE left the Board (and its sub-committees) on 30 April 2025. The Baroness Clevedon assumed the position of Committee Chair, from 1 May 2025.

## UK country advisory committees

The Board, the Chief Executive and the British Council's country teams in Northern Ireland, Scotland and Wales draw on the professional advice and external perspective of the British Council's UK country advisory committees for Northern Ireland, Scotland and Wales. Members of the country advisory committees who served during 2024–25 are listed on page 55 and further information about each advisory committee is available on the British Council's website.

# Delegation and management

## Delegation of authority and matters reserved to the Board

The Board delegates authority to its sub-committees through their terms of reference. The current terms of reference are available on the British Council's website.

The Board reviews matters reserved to the Board and its delegations to the Chief Executive at least annually. As well as the approval of high-value contracts and expenditure, matters reserved to the Board include:

- the British Council's vision, values and Code of Conduct
- its overall strategic direction
- the statement of risk appetite and certain key policies, including the reserves policy
- the annual budget, five-year financial plan, and any significant financing arrangements
- the formation or disbandment of advisory committees
- the opening or closure of overseas-based operations
- any proposal for the British Council to become a corporate trustee of another charity.

The Board delegates authority to the Chief Executive for the day-to-day management of the British Council and to authorise staff to exercise the authorities delegated to them. The Chief Executive delegates authority to staff through a scheme of delegation which states who may approve specific actions, transactions and contracts and the limits and conditions that apply. The scheme of delegation is reviewed and updated on a regular basis, at least annually.

## The Senior Leadership Team

The Chief Executive and their Senior Leadership Team are responsible for delivering the strategy that has been approved by the Board and for the day-to-day management and performance of the organisation in-line with agreed metrics.

Those who served on the Senior Leadership Team during 2024–25 are listed in the remuneration report on pages 61–69. Scott McDonald has been Chief Executive and Accounting Officer since 1 September 2021.

Appointments to the Senior Leadership Team are filled through open recruitment. New members receive induction briefings which include our governance and management arrangements. A register of interests of members of the Senior Leadership Team is published on the British Council's website and is updated at least annually. As at 31 March 2025, the Senior Leadership Team comprised of seven men and two women. In addition, Senior Leadership Team meetings are routinely attended by the Director of Communications, Head of Corporate Affairs and Secretary to the Board and, on a rotating basis, by a Regional Director. Other senior managers from across the organisation are invited to attend Senior Leadership Team meetings as and when required.

The Remuneration and People Committee reviews the performance of individual members of the Senior Leadership Team.

## Values, policies and procedures for raising concerns

To fulfil the British Council's mission effectively we must ensure our behaviour reflects our values and stands up to scrutiny wherever we work. Our Code of Conduct explains the principles that everyone who works for the British Council must follow and the values that underpin everything we say and do, how we work with people, behave towards them and communicate. We publish the Code of Conduct on our website alongside our Global Policy Statements.

Our Global Policy Statements set out, at a high level, our policy commitments on important matters including equality, safeguarding, the environment, information governance, complaints, and our zero-tolerance policy towards fraud, bribery and corruption. The Global Policy Statements are reviewed and approved by the Chief Executive annually. They apply to all British Council employees and govern any others working on British Council premises, including partners of, and suppliers to, the British Council.

Our Speak Up Policy sets out how staff can raise concerns about malpractice, wrongdoing and other workplace-related concerns, confidentially and without fear of victimisation or disadvantage. It provides details of internal contacts and external agencies to whom employees can report concerns, how concerns can be raised anonymously and explains what happens once a concern is raised. During the reporting year, we established Speak Up performance indicators and related reporting arrangements, successfully migrated to a new independent external hotline provider, and raised staff awareness and understanding of the Speak Up Policy through a series of global webinars.

The Speak Up Committee provides oversight of our Speak Up arrangements and is responsible for ensuring that the policy is properly implemented. The Committee, which draws its membership from the Senior Leadership Team and the wider Global Leadership Team, meets regularly and has a 'dotted line' to the Remuneration and People Committee. A key part of its role is ensuring that concerns raised are correctly investigated and that appropriate follow-up action is taken, however this does not include a direct role in individual case decisions.

## Personal data

The British Council is committed to protecting the confidentiality, integrity, and availability of the information it collects, stores, transfers, and processes, and to ensuring that actual or suspected breaches of information security are reported and investigated.

During 2024–25, we continued to develop and strengthen our information governance and security framework, to protect our information assets and information systems and ensure ongoing compliance with the General Data Protection Regulation (GDPR), the UK Data Protection Act 2018, applicable country laws and best practice. As part of this, we continued to refine our overall approach, which is aligned to the principles of ISO 27001.

Work to strengthen our first line of defence continued, with the Collaboration and Information Security Manager role introduced the previous year successfully embedded during the reporting year. Staff in these important roles support regional teams to embed relevant policy. They are supported, in turn, by the Information Governance and Risk Management Team (IGRM), our second line of defence, which provides tools and guidance, and has established a community of practice to develop knowledge and expertise across the organisation.

More broadly, IGRM plays a crucial role, setting and enforcing information security policy across the organisation. Where IGRM identifies that security policy is not being applied appropriately, introducing risk to the organisation, it works with the accountable manager to agree appropriate action and ensure it is implemented. Internal Audit, as the third line of defence, considers information security as part of its assignments (in-line with agreed plans).

Technical security and Data Protection Impact Assessments (DPIAs) are built into the British Council's project management standards to ensure that information and privacy risks are key considerations in all new projects, systems and initiatives. We have a dedicated DPIA Quality Assurance Manager who monitors and reports on the consistency of DPIAs.

All British Council staff must comply with the information governance and confidentiality requirements of our Code of Conduct and complete mandatory information management training. This training must be recertified annually by employees, with similar arrangements in place for others working for or with us.

During 2024–25 we did not report any personal data incidents to the Information Commissioner's Office.

# Audit

## External audit

The British Council's accounts are audited by the Comptroller and Auditor General (the National Audit Office) by mutual agreement with the FCDO and HM Treasury via the Framework Document and are, as part of the Annual Report and Accounts, placed in the libraries of the Houses of Parliament. The Annual Report and Accounts is also filed with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

At the date of signing this statement the fee for the external audit of the British Council's charity and group accounts is expected to be £660,000 (2023–24: £630,000). In addition to this fee, total audit fees of £650,000 (2023–24: £522,000) were payable to the auditors of the Group's component audits. Further disclosures regarding the auditors are given on page 57 and in note 5 to the accounts.

The British Council has a policy and procedures in place to ensure that the provision of non-audit services from external auditors does not compromise the independence and objectivity of the audit opinions on the financial statements of entities and branches within the British Council Group.

## Internal audit

The British Council has an in-house Internal Audit function, supplemented by an independent third-party provider which delivers specialised audits. Internal Audit's objectives, scope and responsibilities are set out in a charter which is reviewed annually by the Audit and Risk Committee. The Director of Internal Audit formally reports to both the Chair of the Audit and Risk Committee (functional line) and the Chief Operating Officer (administrative line). The Audit and Risk Committee reviews and approves Internal Audit's annual work plan and receives regular reports on delivery against that plan and audit findings. Following the end of the reporting year the Audit and Risk Committee receives a summary of the results from Internal Audit's work completed during the year.

In 2024–25 Internal Audit delivered a plan which provided assurance on corporate functions and activities (including information technology and change programmes) and overseas operations across the principal risks. The majority of audit reports received either a 'Moderate' or a favourable 'Substantial' assurance rating and there were no audit reports which received an 'Unsatisfactory' assurance rating. Additionally, the majority of audit observations were rated as either 'Moderate' or 'Minor', with no audit observations rated 'Severe'.

Based on internal audit work and second line assurance activities undertaken in 2024–25, in its annual assurance opinion, the Director Internal Audit reported: 'A moderate level of assurance that overall, some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and internal control for the year ended 31 March 2025.' This is in line with previous years' assurance opinions. A total of 25 audits were delivered in the year. As a result of the audits completed, work is being undertaken to further enhance aspects of our control environment related to operations delivery, procurement and expenditure, and compliance with aspects of various global policies and processes.

Monitoring of audit actions remains an ongoing process. Progress was made in 2024–25 in the implementation of audit actions, with 154 of those rated as either 'Severe' or 'Major' closed during the reporting year.

The quality of the internal audit service provided is essential if it is to be relied upon. The Internal Audit function has therefore continued to implement the actions from the 2024 External Quality Assessment review, for which it achieved the highest rating possible, as well as align its practices and processes to the new Global Internal Audit Standards.

# Risk management and control

## Approach to risk management

The British Council is committed to managing risk effectively and to embedding risk management in all areas of our work.

There are a number of key principles underpinning the British Council Global Risk Management Framework. Risk management activities shall be:

- proportionate to the level of risk faced by different areas of the organisation and the organisation as a whole
- aligned with the activities and ways of working of the British Council
- comprehensive, structured and systematic
- embedded within the organisation, action-oriented and a part of decision-making
- dynamic, responsive to emerging risks and changing needs of the organisation.

The Board has overall accountability for ensuring that the British Council manages its risks effectively. The Trustees set the organisation's strategic direction, determine its risk appetite, and review the effectiveness of its risk and control processes.

They maintain oversight of the principal risks facing the British Council through periodic review, in order to satisfy themselves that the risks are being adequately mitigated and managed. This oversight is supported by the Audit and Risk Committee.

The Senior Leadership Team is responsible for guiding the management of the risks the British Council faces in line with the strategic direction and risk appetite set out by the Board.

The Senior Leadership Team reviews the status of the principal risks profile at least three times per year and the Risk Team co-ordinates a twice-yearly assessment process in which countries, regions, strategic business units and professional service functions report on their most significant risks.

This 'top-down' and 'bottom-up' approach ensures that the risk priorities of senior management are understood across the British Council, and that risks identified within the organisation are visible to senior management. It enables the British Council to consider the potential impact of different types of risks on processes, activities, stakeholders, products and services at all levels of the organisation, and to ensure alignment in priorities.

Risk management practices continue to mature. During 2024–25 and following the end of the reporting year, efforts have focussed on operationalising the updated risk management framework and the launch of a new and streamlined corporate risk monitoring and reporting system.

## Risk profile

The principal risks set out in the following table are those deemed as having the greatest potential impact on the achievement of our strategic objectives at the time of signing this statement. The Senior Leadership Team regularly reviews the risk profile to ensure the most significant risks continue to be tracked, managed and monitored.

Under each area we detail priorities and examples of mitigations that are in place to further manage the organisation’s risk exposure. The order of the risks does not indicate priority, severity or ranking.

Each principal risk is assigned to a member of the Senior Leadership Team who is responsible for the monitoring the strategic activities taken to address that risk.

Principal risk area	Mitigation priorities
<p><b>Financial Sustainability</b></p> <p>Includes risks relating to our cash flow and liquidity, ability to maintain and grow income and deliver long-term sustainability</p>	<p><b>Sustainability Planning</b></p> <p>Progress continues to be made in respect of our overall financial sustainability. We have developed a 5-year financial plan to drive growth in income and surplus and a restructuring of our cost base. This will be supported by investment in new technology and asset sales.</p> <p>Discussions are ongoing with the FCDO on future financing arrangements including the pay back of the loan, which will then inform the British Council’s investment and reserves strategy.</p> <p><b>Income Growth</b></p> <p>We continue to grow our world-class English assessment capability and strong ‘know-how’ in English language learning and teaching. Market dynamics are being closely monitored to identify emerging threats and opportunities.</p> <p>We are prioritising investment into products and services, building on the British Council’s unique offer and brand. This includes new partnerships, improvements to customer experience and digital acceleration.</p> <p><b>Key Markets and Products</b></p> <p>Risk analysis and contingency planning is ongoing relating to a range of possible scenarios impacting our key geographies and products. We continue to maintain close working relationships with host government agencies, UK missions in country, and across His Majesty’s Government departments, to ensure agility in times of stress.</p> <p>Medium-to-long-term diversification is being prioritised across our range of funding streams and countries where we operate.</p> <p><b>Operational Efficiencies</b></p> <p>Detailed plans have been developed and are being delivered as part of a Global Change Programme to restructure our cost base aligned to the future needs of our customers and stakeholders.</p> <p>A dedicated Global Change team ensures that effective governance, co-ordination, risk management and assurance is in place to support successful delivery. Mitigations are in place to ensure the effectiveness of operating model designs.</p> <p><b>Financial Management</b></p> <p>Robust controls are in place to manage expenditure and cashflow, ensure compliance with tax and status requirements across the world and manage foreign exchange exposure.</p> <p>The Finance Committee continues to provide strategic oversight of financial performance and sustainability.</p>

Principal risk area	Mitigation priorities
<p><b>Strategic Enablers</b></p> <p>Includes risks relating to core enablers of strategic delivery, including talent, technology, processes and culture.</p>	<p><b>Talent and Capability</b></p> <p>A suite of policies and frameworks around leadership, values and performance management are in place. We continue to improve our people data insights and analysis, including recruitment and retention metrics.</p> <p>A number of organisation-wide initiatives are under way around talent management, including development of updated skills maps and a talent deployment framework.</p> <p><b>Digital and AI</b></p> <p>Digital and AI are a core element of our strategy to enhance our education and cultural offers, to support customer tailored content and delivery at scale, drive innovation and development at pace, and enable operational efficiencies and automation.</p> <p>We have made good progress in the release of digital and AI products and tools, and our new Digital and Technology operating model is now in place, reinforcing long-term digital integration across all business units.</p> <p><b>Operating Environment</b></p> <p>We are building on the progress of recent transformation initiatives to build a more creative, dynamic and entrepreneurial culture.</p> <p>We are developing an Integrated Services model to deliver seamless operational support. By combining the expertise of our internal teams with strategic outsourcing partners we will focus on streamlined processes, intelligent automation, and continuous improvement, enhancing efficiency and elevating the end-user experience.</p>

Principal risk area	Mitigation priorities
<p><b>Business Integrity</b></p> <p>Includes risks relating to the strength of our control environment, adherence to compliance requirements and protection of our reputation.</p>	<p><b>Regulatory, Controls and Compliance</b></p> <p>A comprehensive compliance and risk eco-system supported by the three lines of defence model is in place providing top-down and bottom-up perspectives, challenge and assurance, including in critical risk areas such as safety, security and counter-fraud.</p> <p>Our centralised Internal Control and Compliance Team continues to drive compliance maturity, including around policy and controls frameworks, reporting and learning and development.</p> <p>We are focused on safeguarding our control environment and ensuring compliance throughout change activities. Internal and external assurance reviews continue to be delivered across our operations.</p> <p><b>Information Security</b></p> <p>A holistic information assurance framework is in place comprised of policies, standards and reporting mechanisms. Investment continues to be made in strengthening our information security controls, ensuring any gaps are identified and addressed.</p> <p>A collaborative and effective community of practice has been established across the information security first line-of-defence.</p> <p>We also continue to focus on projects to ensure compliance with specific privacy and cybersecurity regulations in different jurisdictions, aligned to corporate standards and best practice approaches.</p> <p><b>Stakeholder Confidence</b></p> <p>We take an open and proactive approach in communications with key stakeholders about our performance and future strategy to keep them informed and maintain their trust in the British Council.</p> <p>We support the international ambitions of all four governments of the UK and the arts and culture, education and English language sectors. There is regular senior-level engagement including the British Council-FCDO Strategic Forums which strengthen relationships and track agreed KPIs to deliver shared priorities.</p> <p>We maintain close working relationships with embassies at-post, including through joint planning, sharing insights and inclusion of British Council activities in overseas ministerial visits.</p>

## Risk appetite

Following the end of the reporting year, the Board approved a revised Risk Appetite Statement. Our risk appetite is dynamic and is updated as necessary to reflect any significant changes in the context in which we operate.

As we consider and maintain our risk appetite to reflect context and changing environmental factors, there may be circumstances when it becomes necessary to significantly alter the level, nature and balance of risks within which we are willing, or are required, to operate.

With a global presence and large, varied, and often complex operations, the risks faced by the British Council are significant and wide-ranging. We recognise the importance of effective risk management in building a resilient and successful organisation for the future, and will not achieve success without understanding the risks we face.

Fundamentally, we accept that it is not possible, nor desirable, to eliminate all risk inherent in our activities. Further, we accept that to deliver our vision, to thrive in the varied and changing environments in which we operate, and to keep pace with both our commercial and soft-power competition, we must at times embrace risks - particularly opportunities - being bold and innovative.

However, this does not mean accepting risk indiscriminately. All decisions are subject to the assessment of risk versus reward, with appropriate oversight in place to ensure that our risk-taking remains proportionate, transparent, and aligned with our organisational values.

Our appetite will be actively monitored and reviewed to ensure it remains aligned with our strategic priorities and capacity to manage risk.

In all decisions, we carefully consider how our risk-taking supports and protects our impact, financial sustainability, reputation and trust in the British Council.

## Review of effectiveness

The Board has legal responsibility for the British Council's governance, management and administration. In addition to the Board's accountability for risk management, guidance issued by the Charity Commission for England and Wales states that trustees should regularly review their charity's financial controls to make sure that they are still suitable, at least annually.

As Accounting Officer, the Chief Executive is also responsible for reviewing the effectiveness of the system of internal control in the British Council. The Board's and Accounting Officer's reviews of the effectiveness of the British Council's system of internal control are informed by the work of Internal Audit and members of the Senior Leadership Team, who have responsibility for the maintenance and development of the control framework, and comments and recommendations made by the External Auditors in their annual management letter and other reports.

The effectiveness of the system of internal control was maintained and reviewed for this reporting year through the following key activities:

- Targeted assessments of internal control across the organisation, which assured improvements to policies, procedures, processes, systems and people capability. During 2024–25 the Internal Control and Compliance Team continued to drive improvements and understanding of internal policies, co-ordinated control enhancements in some key areas, and delivered learning and development activities aligned to prioritised themes.
- As part of the Transformation Programme initiated in 2021–22, work to review internal control accountabilities and responsibilities was finalised and embedded. This included joint-work undertaken with a specialist third party provider, to whom we have transferred aspects of our professional services (e.g. AskHR), and ensuring their compliance with expected standards.
- A process of quarterly assessment of compliance with key financial controls by all countries and subsidiaries, providing assurance that the organisation's financial controls were monitored and reported on, with plans put in place to address any control gaps identified.
- Assurance work conducted by second line teams, including Finance Centre of Excellence, Counter Fraud, Information Governance, and Safeguarding (among others).
- Assurance work conducted by Internal Audit, which provides an independent and objective opinion on the adequacy of processes around risk, control, governance and finance systems. Internal Audit's assurance opinion for the reporting year was 'Moderate', in line with previous years' assurance.
- The Audit and Risk Committee's continued oversight and scrutiny of key aspects of the organisation's systems of corporate governance, risk management and internal control. Further information on the work of the Audit and Risk Committee during the reporting year can be found on page 38.

The British Council began its Arts Collection in 1938. It now comprises of over 8,800 paintings, prints and drawings, sculpture, photography, and multi-media artworks showcasing the best of UK-based modern and contemporary visual artists, and has been used to facilitate debate on global issues through our Visual Arts programmes. Over time, as the requirements supporting what are restricted and unrestricted funds in charity accounting have evolved, current evidence supporting the British Council's classification of restricted and unrestricted heritage assets needs to be reviewed to assess the impact of future heritage asset disclosures and to ensure evidence is adequate.

Based on the above, the Board and the Chief Executive (as Accounting Officer), consider the framework of internal controls and risk management in place during 2024–25, and up to the date of signing this statement, to have been effective.

**Dr Paul Thompson CBE**  
Chairman, British Council,  
on behalf of the Board of Trustees

19 March 2026

**Scott McDonald**  
Chief Executive and Accounting Officer,  
British Council

19 March 2026



# Board and committee membership

The table on page 54 lists all those who served on the Board during 2024–25 and the Trustees who served on the Board’s standing sub-committees as constituted at 31 March 2025.

Information available on the British Council’s website includes details of the current members of the Board, including term dates, the register of Trustees’ interests, Board minutes and the terms of reference of the Board’s current standing sub-committees.

## Changes to the Board after the end of the year

The following Trustees joined the Board following the end of the reporting year:

- Mariella Frostrup (from 13 May 2025)
- Yaw Nsarkoh (from 13 May 2025)
- David Todd (from 13 May 2025)
- Kate Marsh (from 28 May 2025)
- Neil Wigan OBE (from 30 September 2025).

The following Trustees left the Board following the end of the reporting year:

- Sir Stephen Deuchar CBE (until 30 April 2025)
- Clare Reddington (until 30 April 2025)
- Rageh Omaar (until 19 September 2025)
- Dr Christian Turner KCMG (until 29 September 2025)
- Dr Katy Radford MBE (until 30 September 2025)
- Fiona Salzen (until 31 December 2025).

Changes mostly reflected planned succession arrangements. In support of an orderly transition, following the end of the reporting year the Board approved the temporary extension of the tenures of Dr Katy Radford MBE and Fiona Salzen, whom had both reached their term limits. The Board took this decision having first taken specialist advice, to ensure Trustees’ continued compliance with their legal duties, and both Trustees have since left the Board.

## External members of the Board’s sub-committees

Throughout 2024–25, Lindsay Croisdale-Appleby CMG served as an external member of the Remuneration and People Committee, and Nazim Girnary served as an external member of the Audit and Risk Committee. At the date of signing this statement, both remain in these positions.

Rajiv Garodia served as an external member of the Commercial Committee until 18 September 2024, having reached his term limit.

## UK country advisory committees

The members of the British Council’s UK country advisory committees for Northern Ireland, Scotland and Wales during 2024–25 are listed on page 55. Further information about the country advisory committees is available on the British Council’s website.

## Members of the Board of Trustees during 2024–25 and the Trustees serving on its standing committees on 31 March 2025

	Start/end of term if not a Trustee for the full year	Board meeting attendance <sup>6</sup>	Membership of the standing committees on 31 March 2025				
			Audit and Risk	Commercial	Finance	Nominations	Remuneration and People
Dr Paul Thompson CBE (Chair)		6/6			X	X	X
Sarah Sands (Former Deputy Chair)	End 16/05/24	0/1					
Baroness Wendy Alexander of Cleveden (Current Deputy Chair) <sup>7</sup>		6/6			X		X
Mark Beddy Honorary OBE	End 06/10/24	3/3					
Sir Stephen Deuchar CBE *		6/6					X
Richard Hookway		6/6	X	X			
Professor David Lefevre		2/6					
Rageh Omaar *		1/6					
Professor Malcolm Press CBE		6/6	X				
Dr Katy Radford MBE *		5/6					X
Clare Reddington *		4/6				X	
Sushil Saluja		6/6		X	X	X	
Fiona Salzen *		6/6		X	X		
Dr Christian Turner KCMG *		5/6					
Paul Woodgates		5/6	X	X			

•• Denotes a trusteeship that ended following the end of the reporting year.

•6 In this column the first number shows the number of Board of Trustees meetings attended, the second the number of Board of Trustees meetings the person was eligible to attend as a Trustee in the year.

•7 The Baroness Cleveden served as a Trustee throughout the reporting year and assumed the position of Deputy Chair from 1 December 2024.





# Reference and administrative details

**Patron:** Our Patron is His Majesty King Charles III.

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

**Status:** The British Council is registered as a charity under registration numbers 209131 (England and Wales), SC037733 (Scotland) and 20100360 (Ireland).

**Principal address:** 1 Redman Place, Stratford, London, E20 1JQ, United Kingdom

**External auditors:**

- **Auditor of the British Council charity and group:** Comptroller and Auditor General, National Audit Office, 157–197 Buckingham Palace Road, London, SW1W 9SP, United Kingdom
- **Subsidiaries auditor:** PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH, United Kingdom  
PwC audits most, but not all, of the British Council Group’s subsidiary undertakings. Where external audits are required locally, the auditors are disclosed in each entity’s financial statements.

**UK legal advisers:** The British Council draws on advice from a range of legal firms according to the jurisdiction and subject matter on which advice is required. The British Council’s main providers of external legal advice in the UK during 2024–25 were:

- Mills & Reeve LLP, 24 King William Street, London, EC4R 9AT, United Kingdom
- Hogan Lovells International LLP, Holborn Viaduct, London, EC1A 2FG, United Kingdom

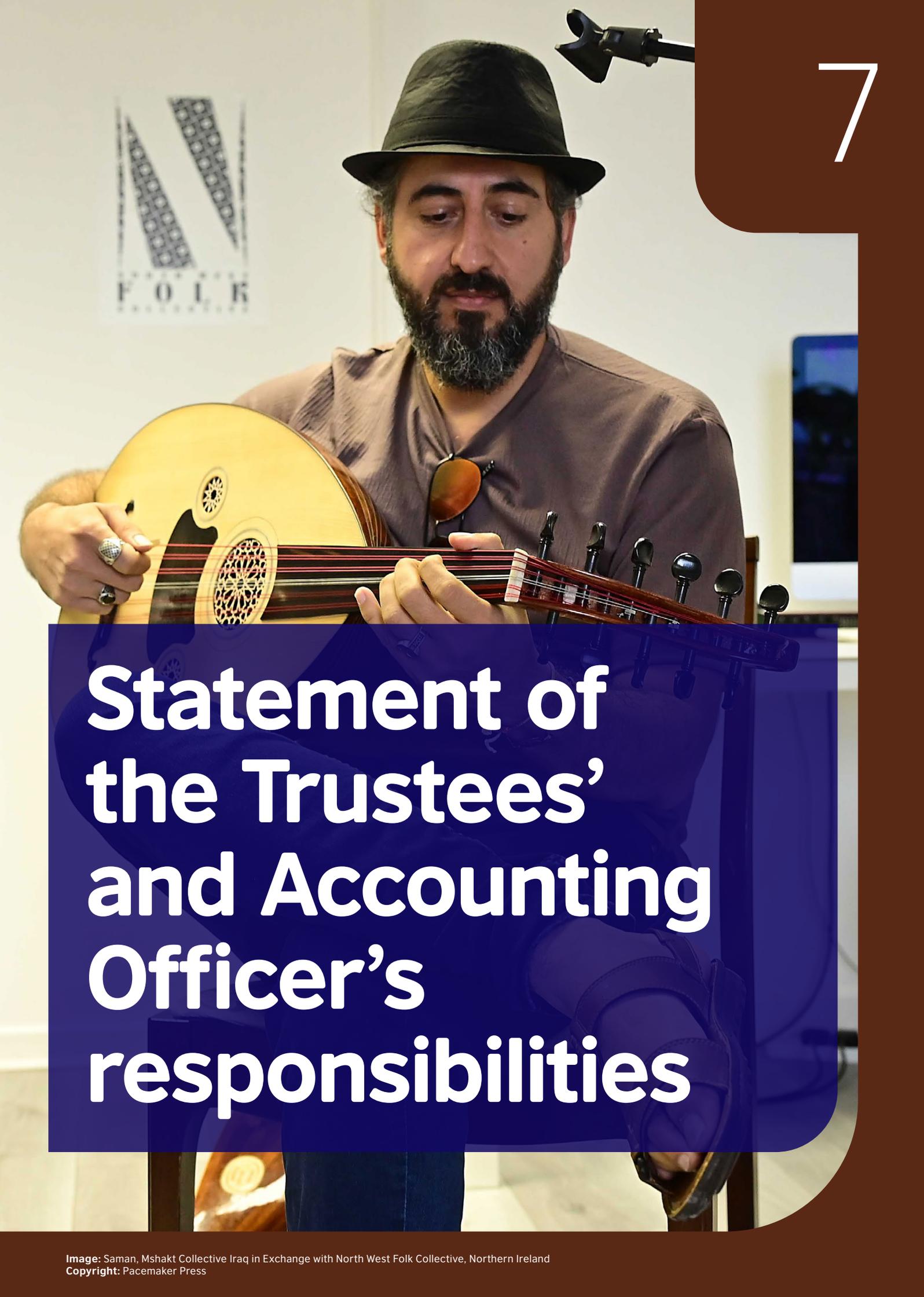
**Bankers:** The British Council’s main bank in the UK is HSBC Bank plc, 8 Canada Square, London, E14 5HQ, United Kingdom.

**Modern Slavery Act 2015:** In compliance with the Modern Slavery Act 2015, the British Council’s website has a statement on the steps the British Council takes to ensure that slavery and human trafficking do not occur in its supply chains or operations. The most recent statement was approved by the Board in September 2025.

**Fundraising:** In 2024–25 the British Council engaged with a small number of high-net-worth individuals, securing donations for our work across arts, culture and education. The main way we engaged with these supporters was through our Patrons Circles, which bring together like minded philanthropists in support of our work. Our UK Patron Circle was co-chaired by active donors who, in a voluntary capacity, supported efforts to encourage more supporters to join the UK Circle. We did not carry out fundraising among the wider public during the reporting year.

The British Council used a professional fundraiser (a third-party agency) to deliver fundraising activities specifically related to the Venice Biennale 2025, an international cultural exhibition. A written contract was put in place, which required the agency to comply with all applicable laws as well as the British Council’s fundraising policies and processes. The agency’s work was monitored by a suitably senior member of staff with relevant knowledge and expertise.

The British Council is voluntarily registered with the Fundraising Regulator and complies with the Code of Fundraising Practice in its fundraising activities. Agency staff and volunteers working in support of our fundraising activities are required to comply with the Code of Fundraising Practice. We continue to ensure that our procedures are compliant with the UK GDPR and Data Protection Act 2018 and did not receive any complaints about British Council fundraising activities during the reporting year.



# Statement of the Trustees' and Accounting Officer's responsibilities

The law applicable to charities in England, Wales, Scotland and the Republic of Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the net expenditure of the group for that year.

The Secretary of State for Foreign, Commonwealth and Development Affairs (with the consent of HM Treasury) has also directed the Accounting Officer to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the British Council Group and of its income and expenditure, Balance Sheet and cash flows for the financial year.

In preparing the accounts, the Trustees and Accounting Officer are required to comply with the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) and in particular to:

- make judgements and estimates on a reasonable basis
- prepare the accounts on a going concern basis
- state whether applicable accounting standards have been followed, comprising FRS 102, subject to any material departures disclosed and explained in the financial statements
- select suitable accounting policies and apply them consistently
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable
- have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the British Council's auditors are aware of that information. So far as they are aware, there is no relevant audit information of which the auditors are unaware.

In preparing the accounts, the Accounting Officer is also required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Foreign, Commonwealth and Development Affairs, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2009 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

*Managing public money* published by HM Treasury holds the Accounting Officer responsible for keeping proper records and for safeguarding the British Council's assets. In addition, the responsibilities of the Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable. The Trustees are responsible for the maintenance and integrity of the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Dr Paul Thompson CBE**  
Chairman, British Council,  
on behalf of the Board of Trustees

19 March 2026

**Scott McDonald**  
Chief Executive and Accounting Officer,  
British Council

19 March 2026



# Senior Leadership Team remuneration report

# Senior Leadership Team remuneration report – part one

## Service contracts

The Chief Executive Officer is initially appointed on a fixed-term contract of eight years. Other new members of the Senior Leadership Team are appointed on a fixed-term contract of four years, with the possibility of a mutually agreed extension for up to a further four 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. Emoluments (salaries, including allowances subject to UK taxation) paid to members of the Senior Leadership Team and their pension entitlements are set out below.

## Senior Leadership Team remuneration

Senior Leadership Team members' annual salary increases are determined by their performance rating. There are five performance ratings, one being the lowest and five the highest. Performance pay would normally only apply to those rated five, four or three.

Salary calculations have been made based on the total salary of UK-appointed staff. 'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances, and any other allowance to the extent that it is subject to UK taxation. It does not include employer pension contributions or the cash equivalent transfer value of pensions, or the salaries of staff appointed overseas.

In 2024–25, Senior Leadership Team members received an increase in salary. British Council aligns to the Civil Service senior pay control when applying the Senior Leadership Team pay award. This pay award is signed off by the Remuneration Committee. Members of the Senior Leadership Team can also be eligible for a non-consolidated performance-related payment, as part of an annual incentive scheme described below. Bonuses are based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2024–25 relate to performance in 2023–24.

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

Senior Leadership Team members do not receive non-cash benefits.

The figures in this report have been subject to audit.

Name and position	Salary 2024–25 (in bands of £5,000) £'000	Salary 2023–24 (in bands of £5,000) £'000	Bonus payments 2024–25 (in bands of £5,000) £'000	Bonus payments 2023–24 (in bands of £5,000) £'000	Value of pension benefits for single total figure of remuneration for 2024–25 (to the nearest £1,000)	<sup>12</sup> Value of pension benefits for single total figure of remuneration for 2023–24 (to the nearest £1,000)	Total salary benefits 2024–25 (in bands of £5,000) £'000	Total salary benefits 2023–24 (in bands of £5,000) £'000
McDonald, S Chief Executive Officer	260-265	245-250	–	–	102,000	96,000	360-365	345-350
Ewart-Biggs, K Deputy Chief Executive Officer	170-175	160-165	5-10	5-10	119,000	52,000	300-305	225-230
Williams, A Chief Operating Officer	145-150	140-145	5-10	5-10	90,000	32,000	240-245	175-180
Stephens, M Director Cultural Engagement	150-155	135-140	5-10	5-10	151,000	105,000	305-310	250-255
Horton, A Director Digital, Partnerships and Innovations	135-140	130-135	0-5	0-5	53,000	51,000	190-195	185-190
Patel, S Chief People Officer	140-145	135-140	5-10	5-10	96,000	25,000	240-245	165-170
Walker, M Director English and Exams	160-165	155-160	5-10	5-10	107,000	108,000	280-285	270-275
Walker, C Director Global Network	135-140	130-135	5-10	5-10	90,000	44,000	235-240	180-185
Hasan, S <sup>9</sup> Director Strategy Full year equivalent	80-85 90-95	– –	0-5 –	– –	33,000 –	– –	120-125 –	– –
Doshi, V <sup>10</sup> Chief Financial Officer Full year equivalent	135-140 150-155	– –	– –	– –	55,000 –	– –	190-195 –	– –
Thomas, R <sup>11</sup> Chief Financial Officer Full year equivalent	25-30 150-155	150-155 –	5-10 –	5-10 –	– –	– –	30-35 –	155-160 –

- **9**  
S Hasan joined as a member of Senior Leadership Team on 1 May 2024. She is on a different pay scale compared to other members in the Senior Leadership Team.
- **10**  
V Doshi started on 1 May 2024. He replaced R Thomas as the Chief Financial Officer.
- **11**  
R Thomas chose not to be covered by the Civil Service Pension arrangements during the reporting year. He left the organisation on 4 June 2024.
- **12**  
The pension benefits of any members affected by the public service pensions remedy which were reported in 2022–23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023–24 based on PCSPS membership for the same period.

## Annual incentives for Chief Executive and Senior Leadership Team members

### Purpose and link to strategy

- motivate the achievement of annual strategic goals and personal objectives
- provide a focus on key metrics
- reward individual contribution to the success of the British Council.

### Operation

- Annual incentive is delivered entirely in cash and does not form part of pensionable earnings.
- Individual personal objectives are set each year. These may be specific short-term goals or milestones towards medium or long-term objectives, but are closely aligned to the overall strategy of the British Council.
- Measures and performance targets for the Senior Leadership Team are set by the Chief Executive Officer and by the British Council Chair for the Chief Executive Officer, at the start of the year.
- Payment is made after year end following the Remuneration Sub-committee of the Board of Trustees' assessment of performance relative to targets and objectives. Exception to this process would apply if there is a departure of employee mid-year, when decision on payment will be made outside of the normal cycle using the same parameters.
- Annual incentive payments are discretionary. The Remuneration Sub-Committee reserves the right to adjust payments up or down before they are made if it believes exceptional factors warrant doing so.

The membership of the Remuneration Committee is included in the full membership list of the Board of Trustees on page 54.

# Senior Leadership Team remuneration report – part two

## Pension benefits

Name and position	Accrued pension at pension age as at 31 March 2025 (in bands of £5,000)	Accrued lump sum at pension age as at 31 March 2025 (in bands of £5,000)	Real increase (decrease) in pension at pension age (in bands of £2,500)	Real increase (decrease) in lump sum at pension age (in bands of £2,500)	CETV at 31 March 2025 (to nearest £1,000)	<sup>13</sup> CETV at 31 March 2024 (to nearest £1,000)	Real increase (decrease) in CETV funded by employer (to nearest £1,000)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
McDonald, S Chief Executive Officer	20-25	–	5-7.5	–	368	250	77
Ewart-Biggs, K Deputy Chief Executive Officer	60-65	155-160	5-7.5	5-7.5	1480	1311	105
Williams, A Chief Operating Officer	60-65	150-155	2.5-5	2.5-5	1450	1309	79
Stephens, M Director Cultural Engagement	75-80	55- 60	7.5-10	2.5-5	1705	1495	142
Horton, A Director Digital, Partnerships and Innovations	30-35	–	2.5-5	–	470	388	38
Patel, S Chief People Officer	70-75	185-190	5-7.5	5-7.5	1777	1620	87
Walker, M Director English and Exams	60-65	–	5-7.5	–	1150	1013	85
Walker, C Director Global Network	45-50	105-110	2.5-5	2.5-5	1014	921	82
Hasan, S Director Strategy	10-15	–	0-2.5	–	127	–	14
Doshi, V Chief Financial Officer	0-5	–	2.5-5	–	51	–	40
Thomas, R Chief Financial Officer	–	–	–	–	–	–	–

• 13

The pension benefits of any members affected by the public service pensions remedy which were reported in 2022–23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 have been reported since 2023–24 based on PCSPS membership for the same period.

• 14

Taking account of inflation, the CETV funded by the employer has decreased in real terms.

• 15

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgement. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 201 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period 1 April 2015 to 31 March 2022.

## Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6 per cent and 8.05 per cent, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32 per cent of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as 'rollback'.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

## Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance is used in the calculation of the 2023–24 CETV figures.

## Real increase in CETV

This reflects the increase in CETV that is 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.

# Senior Leadership Team remuneration report – part three

## Fair pay disclosures

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the British Council in the financial year 2024–25 was £265,000 – £270,000 (2023–24: £245,000–£250,000). The banded remuneration of the highest-paid director increased by 8 per cent from the previous year. This was approximately 6 times (2023–24: 5) the median remuneration of the workforce. The change in the remuneration ratio is due to an increase in both the median salary and the salary of the highest-paid director.

The median remuneration of the workforce was £48,564 (2023–24: £47,881), this is a 1 per cent (2023–24: 4 per cent) increase from the previous year. The average salary and bonus in 2024–25 increased by 4 per cent and decreased by 35 per cent respectively (2023–24: increased by 4 per cent and 76 per cent respectively). Compared to 2023–24, a lower total amount of bonuses were paid in 2024–25, as the British Council continued its transformation programme. Additionally, no cost of living payment was made during 2024–25 as this was a one-off payment made during 2023–24 and was included as a bonus.

	2024–25			2023–24		
	Total remuneration	Ratio	% change	Total remuneration	Ratio	% change
<b>25th percentile remuneration of all UK based staff</b>	£36,992	7	3	£36,006	7	8
<b>Median remuneration of all UK based staff</b>	£48,564	6	1	£47,881	5	4
<b>75th percentile remuneration of all UK based staff</b>	£71,282	4	4	£68,238	4	3

	2024–25			2023–24		
	Total salary	Ratio	% change	Total salary	Ratio	% change
<b>25th percentile salary of all UK based staff</b>	£34,665	8	4	£31,204	8	0
<b>Median salary of all UK based staff</b>	£44,284	6	4	£42,466	6	2
<b>75th percentile salary of all UK based staff</b>	£64,199	4	3	£61,051	4	2

In 2024–25, no employee (2023–24: no employee) received remuneration in excess of the highest-paid director. Remuneration ranged from £25,000 – £270,000 (2023–24: £20,000 – £250,000).

Total remuneration includes gross salary, non-consolidated performance-related pay, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The median pay calculation has been prepared in accordance with the requirements set out in the Hutton Review of Fair Pay – Implementation Guidance (Revised 2021). As specified, the calculation is based on the annualised remuneration of full-time equivalent staff employed by the British Council as at the reporting period end date.

For the purposes of this calculation, staff whose inclusion would result in a material distortion of the reported figures have been excluded to ensure a fair and representative outcome.

**Dr Paul Thompson CBE**  
Chairman, British Council,  
on behalf of the Board of Trustees

19 March 2026

**Scott McDonald**  
Chief Executive and Accounting Officer,  
British Council

19 March 2026



# Financial review

# Financial highlights

	2024–25 £ Million	Restated 2023–24 £ Million	Change %
<b>Total income</b>	1,010	989	2
<b>Net expenditure</b>	(40)	(82)	51
<b>Total reserves</b>	304	318	(4)
<b>Free reserves<sup>16</sup></b>	(111)	(58)	(91)
<b>Grants paid</b>	61	25	144
	<b>£</b>	<b>£</b>	<b>%</b>
<b>Income raised for every £1 received from grant-in-aid</b>	5.2	4.7	19.1

## Summary of results

Total income generated by the British Council increased by approximately 2.1 per cent to £1,010 million (2023–24: £989 million). The increase is driven by improvement in income generated from grants for charitable activities, as well as increased contract income.

For every £1 of government grant-in-aid from the FCDO, an additional £5.2 was generated from other sources compared to £4.7 last year.

Total pre-tax expenditure decreased by 1.5 per cent to £1,038 million (2023–24: restated £1,054 million). This decrease is mainly driven by an additional provision added to 2023–24 financial year which is reduced by increased grants paid during the year in line with the increased contract and grant income. See note 28 of the accounts for prior period adjustments.

Net expenditure decreased by £42 million to £40 million (2023–24: restated £82 million).

Total reserves decreased overall by £14 million to £304 million (2023–24: restated £318 million) while the British Council's free reserves also decreased by £53 million to a debit of £111 million (2023–24: restated debit of £58 million), primarily due to the net expenditure incurred in the financial year and foreign exchange differences resulting from consolidating foreign operations.

The Going Concern and Viability Statement section of this review outlines how the British Council will continue to ensure its financial viability over the foreseeable future.

### • 16

Free reserves are those generally available for the activities of the British Council and comprise the General Account, Risk Reserve, Limited Access Reserve, and Investment Fund.

# Income

## Donations

The main element of this is government grant-in-aid income of approximately £163 million (2023–24: £173 million). The proportion of total income from grant-in-aid decreased by 1 per cent to 16 per cent (2023–24: 17 per cent).

## Income from charitable activities

Income from charitable activities increased by 5 per cent to £826 million compared to £787 million in 2023–24. (For a breakdown of this income by charitable activities please see note 4 of the accounts).

The British Council's Teaching and Exams income decreased slightly to £702 million this year (2023–24: £704 million). Although the British Council was able to operate at maximum capacity during the financial year, ongoing geo-political events, economic conditions and foreign exchange variations continue to impact the income generating activities of the British Council particularly its Teaching and Exams operations.

The British Council also receives Contract and Grant income mainly for the delivery of programmes in Cultural Engagement. Contract income increased by 71 per cent to £58 million (2023–24: £34 million). The increase in contract income is driven by new contracts agreed during the financial year. Grant income increased by 51.5 per cent to £50 million (2023–24: £33 million) as the British Council secured more grants for its charitable activities.

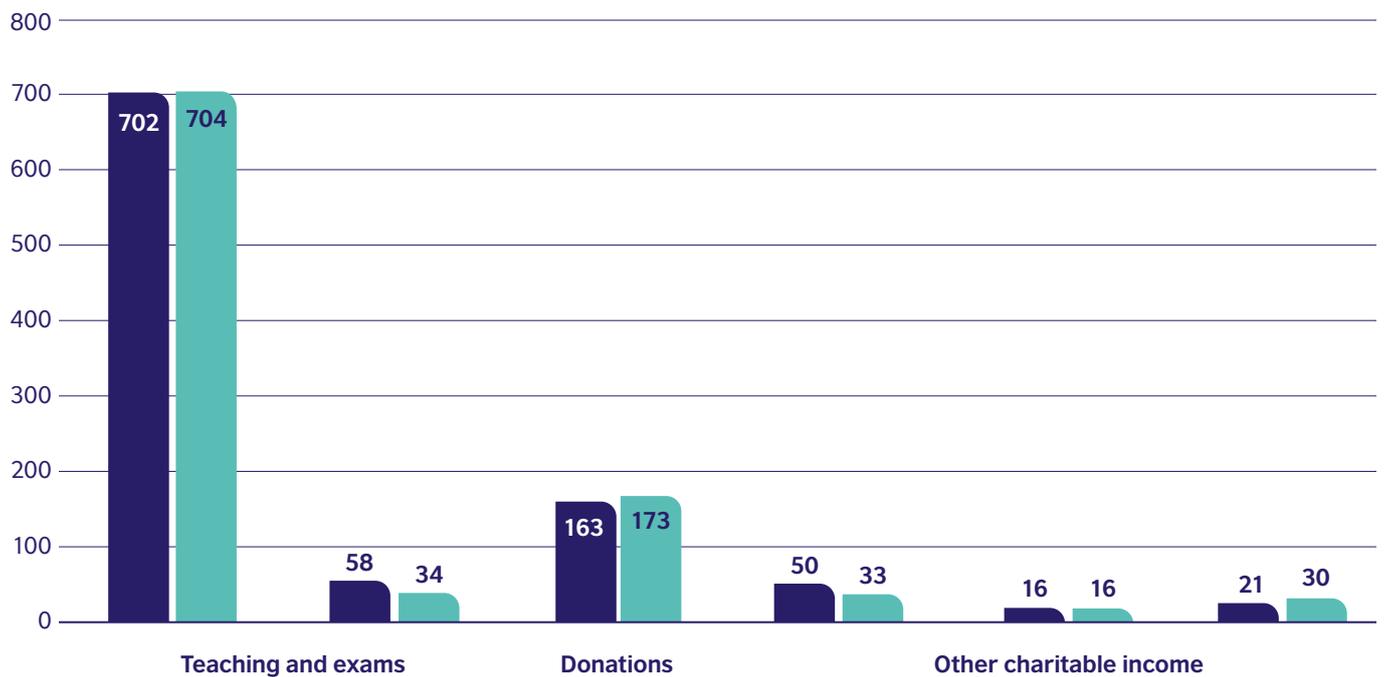
The British Council received other charitable income of £16 million (2023–24: £16 million) through other agreements and provision of other services that are not classed as Teaching and Exams, Contract or Grant income.

## Sundry Income

Income from other trading activities, predominantly sponsorship income, was £0.7 million (2023–24: £0.3 million). Income from investments reduced to £10 million (2023–24: £12 million) as some of the underlying deposits were liquidated during the year. Other income was composed of predominantly foreign exchange gains which decreased to £10 million (2023–24: £17 million). The gain on foreign exchange relates to revaluation of open monetary transactions from the respective transaction currencies to the group reporting currency which is sterling. This is offset by foreign exchange losses of £19 million explained below.

### Sources of income

● FY 2024–25 (£m) ● FY 2023–24 (£m)



# Expenditure

## Expenditure on charitable activities

Expenditure on charitable activities decreased by 1.5 per cent to £1,038 million compared to the restated amount of £1,054 million in 2023–24 as the British Council made significant progress in its transformation programme aimed at making its operations more efficient and robust in the face of all the threats posed by ongoing economic and geo-political pressures. For a breakdown of this expenditure by charitable activities please see note 5 of the accounts.

The British Council supports specific programmes and activities through the provision of grant funding to individuals and organisations to facilitate their participation in events, schemes or programmes set up to achieve its objectives. In 2024–25, £61 million of grants were payable to individuals and institutions, a 144 per cent increase from £25 million in 2023–24. This reflects the increased contract and grant income secured during the year.

Direct costs decreased by 5.9 per cent to £778 million (2023–24: restated £827 million) as the British Council continued to cut down costs as part of the ongoing transformation. Total exchange losses of £19 million (2023–24: £20 million) arising from the revaluation of open monetary transactions from the respective transaction currencies to the group reporting currency are included within direct costs.

Support costs also decreased by 1.5 per cent to £199 million (2023–24: £202 million) also driven by cutting down costs as part of the ongoing transformation. The 2024–25 figure for support costs includes £11 million (2023–24: £25 million) in respect of restructuring.

The British Council received £127 million grant-in-aid from the FCDO for spend on development activities in ODA eligible countries. ODA countries are defined by the Organisation for Economic Co-operation and Development and include countries in Africa, the Middle East and South Asia. At the end of the year, the total amount had been fully committed to these activities.

In addition, the FCDO granted the British Council £36 million towards spend on other activities in non-ODA countries which will support British Council in achieving its objects.

The British Council continued to invest in specific committed projects to support digital products, infrastructure, and operational efficiency. Included within direct and support costs is revenue expenditure relating to such projects of £16 million (2023–24: £44 million). Capital expenditure also includes £24 million (2023–24: £15 million) relating to such projects. These projects involve investments in new technology and processes to support sustainability as part of the ongoing transformation.

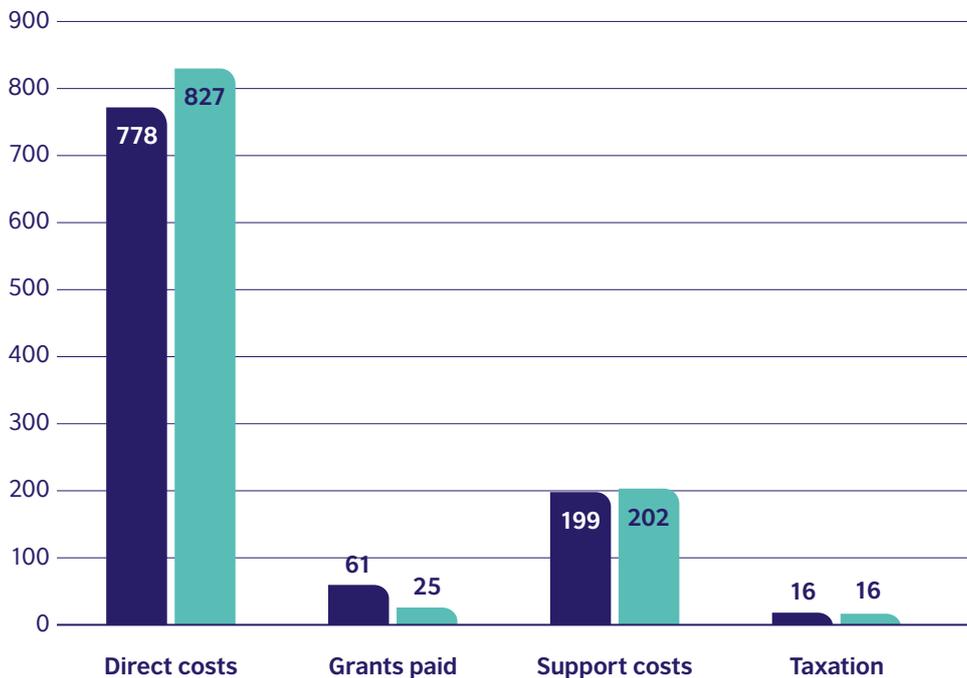
## Taxation

The tax charge of £17 million (2023–24: £16 million) is driven by the increase in overseas commercial activities that is subject to corporation tax during the financial year.

**Resources expended**

● FY 2024–25 (£m)

● FY 2023–24 (£m)

**Revaluation of land and buildings**

The British Council revalued approximately one fifth of its portfolio of land and buildings as of 31 March 2025. A sample of the properties not physically inspected in the year had a desk valuation. This includes the highest value properties and a sample of others sufficient to ensure the value of the portfolio is materially correct. The revaluation was carried out by its external surveyors, JLL, a commercial property consultancy firm. The valuation considered prevailing market conditions and restrictions on the British Council's right to use the property.

The revaluation exercise gave rise to a net increase in property value of £35 million which has been recognised within the revaluation reserve.

Due to the significant change in the value of sterling against major currencies over the course of the last year, the carrying value of the remaining land and buildings assets has also been amended to reflect the relevant closing exchange rate.

**Fair competition**

The British Council has a fair competition policy to ensure that its trading activities are always conducted fairly and in accordance with relevant legal requirements. An accounting firewall is maintained to ensure that the British Council's use of government grant-in-aid funds does not result in any distortion of competitive markets. This accounting process is supported by a global transfer pricing policy that reflects the principle that transactions between the different legal entities within the group should be conducted on an arm's length basis.

## Fraud prevention and detection

The British Council is committed to its policy of zero tolerance to fraud and to be transparent in its management of counter-fraud. During 2024–25, 125 instances (2023–24: 118 instances) of fraud were recorded with gross losses of £0.036 million (2023–24: £0.16 million).

Further information including details on sanctions applied to cases can be obtained in the British Council Counter Fraud Cases Report 2024–25 which can be accessed on the British Council's website:

[www.britishcouncil.org/about-us/how-we-work/finance/counter-fraud-reports](http://www.britishcouncil.org/about-us/how-we-work/finance/counter-fraud-reports)

The British Council continues to make progress in detecting fraud across all areas of its operation as well as improving the counter-fraud culture and helping to keep further fraud to an absolute minimum.

## Treasury

The British Council has a central treasury team which manages its treasury and banking activities. These activities are governed by a Treasury policy, which has been agreed by the Board of Trustees. The British Council's treasury activities are reviewed by its Treasury Committee monthly.

The Treasury policy sets out a framework under which decisions on foreign exchange management, cash and investment management are administered by the central treasury team. The principal activities of this function are:

### a. Currency and cash management

The treasury team monitors cash flow forecasts to determine future surpluses and requirements in foreign currencies. The treasury team uses forward foreign exchange contracts for periods not exceeding 12 months where these cash flows are considered highly likely. The British Council does not hedge account for these contracts and on 31 March 2025 had a liability of £0.3 million arising from open contracts (31 March 2024: £0.05 million). Other foreign exchange needs are met by spot transactions as they are required. Further details on how the British Council manages its exposure to foreign currency risk are set out in note 24 of the accounts.

### b. Cash management

The British Council's cash management policy is to hold sufficient funds in each country of operation to meet anticipated payment requirements for approximately one month. Surplus funds are remitted back to the UK, except in those cases where there are restrictions on their remittance. Further details on how the British Council manages liquidity risk are set out in note 24 of the accounts.

### c. Short-term investments

Surplus cash is invested in short-term or money market deposits in the UK. The British Council's policy allows it to place such deposits with banks with a credit rating of A- or higher for periods of up to 12 months. The maximum aggregate deposit within one bank may not exceed £25 million.

#### 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 receipts, provided that the relevant goods and/or services have been supplied.

During the financial year, 69 per cent (2023–24: 79 per cent) of valid invoices relating to UK activity were paid within this target period. This figure includes payments of grants and stipends. The total number of UK payment transactions processed in 2024–25 was 47,022 (2023–24: 21,338).

Trade creditor days for the British Council's UK activity for the year ended 31 March 2025 were 11 days (2023–24: 16 days) across all payments.

## Information on payment policy

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During the financial year, 69 per cent (2023–24: 79 per cent) of valid invoices relating to UK activity were paid within this target period. This figure includes payments of grants and stipends. The total number of UK payment transactions processed in 2024–25 was 47,022 (2023–24: 21,338).

Trade creditor days for the British Council's UK activity for the year ended 31 March 2025 were 11 days (2023–24: 16 days) across all payments.

## Reserves

The British Council Group has £304 million total reserves (2023–24: restated £318 million), of which £113 million is restricted (2023–24: £114 million). Restricted funds are those that are held for specific purposes and relate primarily to the British Council's arts collection and amounts held in trusts. Unrestricted reserves comprise the capital account, revaluation account, and unrestricted heritage asset reserves, together with the General Account, Risk Reserve, Limited Access Reserve and Investment Fund. The capital account, revaluation account and unrestricted heritage asset reserve, which amount to £301 million, can only be released through the sale of those assets (2023–24: £262 million).

The British Council's free reserves - a debit of £111 million (2023–24: restated debit of £58 million) is represented by the balance in the General Account. The debit balance is because of the current net expenditure, transfers made to other reserve classes and foreign exchange differences arising on consolidation of foreign operations which have been allocated to the General Account.

The Limited Access Reserve is designated to cover funds that are not readily available for use, including trapped cash, the non-distributable reserves of subsidiaries (for the group accounts) and bank bonds and guarantees.

The purpose of the risk reserve is to protect the British Council from the financial impact of specific risks where that impact can be estimated; and ensure that it can manage the impact of general economic or operating risks on its operations and strategy. The target level for the risk reserve is set each financial year and includes a balance to cover economic and operating risk, and tax and indemnity risks that do not meet the threshold for creating a provision in the annual accounts. The Board of Trustees conclude that the Risk Reserve target should be equivalent to three months of business expenditure, balancing that against investment requirements and our charitable objectives, with the aim of rebuilding the Risk Reserve to an appropriate level over the next five to ten years.

On 31 March 2025, there was no balance in either reserve.

## Going concern

The Trustees are required to confirm that it is appropriate for the British Council to adopt the going concern principle in preparing its accounts. In recent years the British Council has made progress with growing income following the pandemic, alongside reducing costs across the organisation. However, recovery in some areas has been slower and the organisation has been affected by geopolitical events and changing approaches to immigration policy across the globe, which has impacted demand. Global economic challenges, such as rising inflation and exchange rate volatility have placed further pressure on the British Council's activities and income.

During 2025 management produced a major turnaround plan to address the recovery involving:

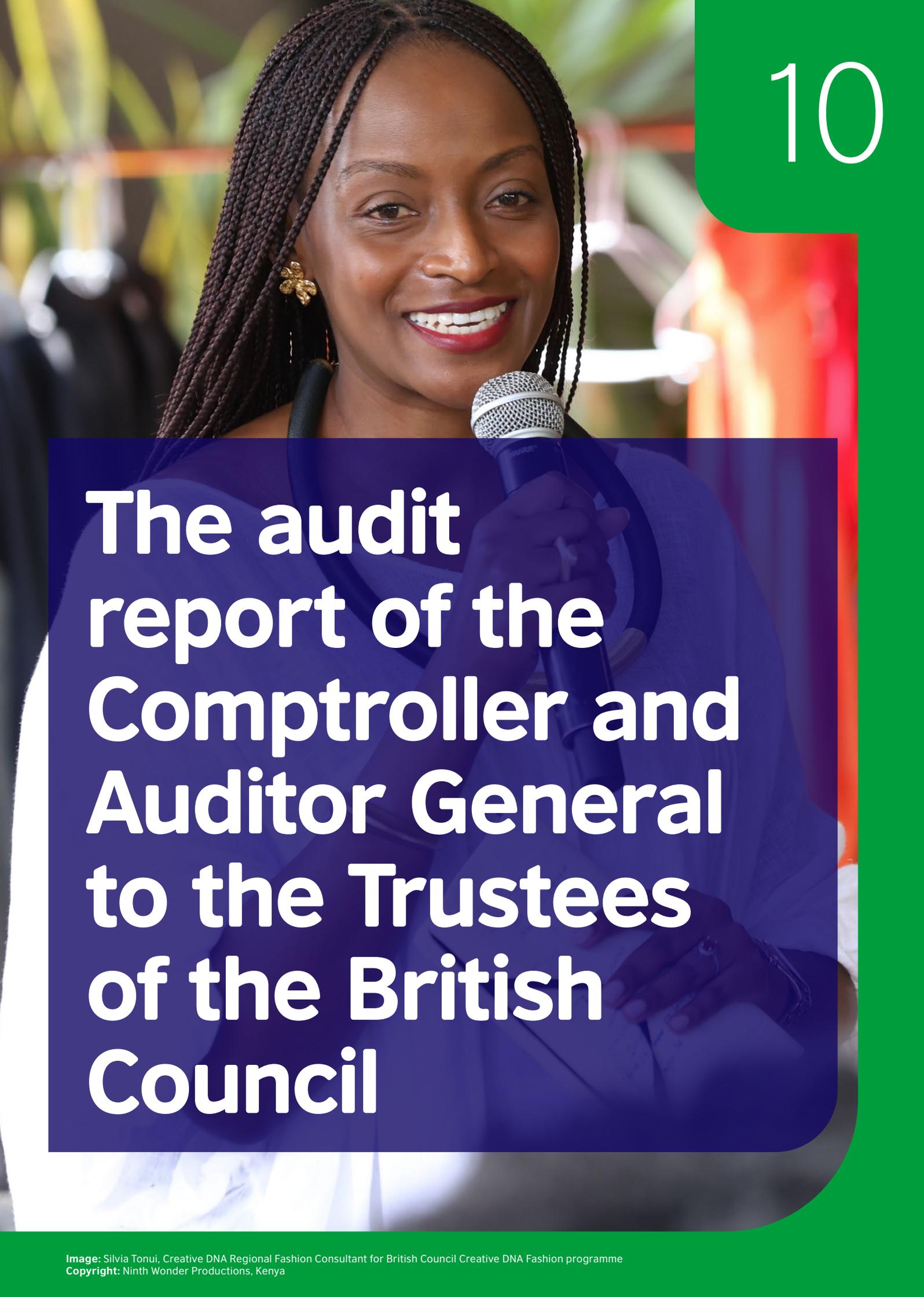
- significant business re-focus, asset sales and cost cutting
- identifying investment requirements to implement further organisational restructure
- investment in digital and technology infrastructure
- a revised product portfolio to address these challenges.

The FCDO negotiation around the plan and loan extension, addresses the requirement to retain funds which are needed to invest and deliver the turnaround.

Due to a combination of these factors the British Council's expenses have exceeded income during the last few years and its 2024–25 year-end free reserve position is now a debit of £110.7 million. In the absence of adequate reserves, the British Council remains reliant on a loan facility of £197 million on commercial terms which the FCDO have committed to extend to 30 September 2027, while the British Council and FCDO work through a longer-term restructure of the loan with multiple parties involved. Discussions around this are on-going and trustees and the FCDO expect this to be concluded early in the second quarter of calendar year 2026, which will allow for the complexity of the organisation's financial situation to be fully addressed.

Based on measures anticipated to be agreed by both sides the British Council has projected its cash requirements which show that the organisation can meet its financial commitments as they fall due for the next financial year. Accordingly, the Trustees assess that the British Council will continue to operate for at least 12 months from the date that the accounts are approved, and it is therefore appropriate to prepare the 2024–25 accounts on a going concern basis.

The Trustees remain confident in the ongoing support of the FCDO and in the constructive negotiations to secure the British Council's future. Nevertheless, because of the British Council's projected, cash and reserves position, and its consequential dependence on agreeing a restructuring with the FCDO, it is important to recognise at the date of signing of the accounts that a material uncertainty remains over the organisation's ability to continue as a going concern in the longer term.

A close-up photograph of a woman with dark skin and long braids, smiling warmly while holding a silver microphone. She is wearing a blue top and a gold earring. The background is softly blurred, showing what appears to be an outdoor event with colorful decorations. A large, semi-transparent blue box with rounded corners is overlaid on the lower half of the image, containing the title text in white. The entire page has a green background with a white number '10' in the top right corner.

# The audit report of the Comptroller and Auditor General to the Trustees of the British Council

# The audit report of the Comptroller and Auditor General to the Trustees of the British Council

## Opinion on financial statements

I have audited the financial statements of the British Council and its Group for the year ended 31 March 2025.

The financial statements comprise: the British Council and its Group's:

- The Consolidated and British Council Balance Sheets as at 31 March 2025;
- The Consolidated Statement of Financial Activities and Consolidated statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the British Council and its Group's affairs as at 31 March 2025 and its net expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Charities Trustee and Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland Regulations) 2009.

## Opinion on regularity

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

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the British Council and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Material uncertainty relating to going concern

In auditing the financial statements, I have concluded that the British Council and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

I draw attention to Note 27 of the financial statements, which describes material uncertainties that may cast significant doubt over the British Council's ability to continue as a going concern in the future, in relation to the level of longer-term support that would be needed from their sponsor department, the FCDO.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

## Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's report thereafter. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Senior Leadership Team Remuneration Report subject to audit have been properly prepared in accordance with the Charities Act 2011 and HM Treasury and Secretary of State directions made thereunder; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the British Council and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the British Council and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Annual Report, subject to audit are not in agreement with the accounting records and returns; or

- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury’s guidance.

## Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of the Trustees’ and Accounting Officer’s Responsibilities, the Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the British Council and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- preparing financial statements which give a true and fair view and are in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland Regulations) 2009;
- preparing the Annual Report, which includes the Senior Leadership Team Remuneration Report, in accordance with HM Treasury’s Government Financial Reporting Manual; and
- assessing the British Council and its Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

## Auditor’s responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the British Council and its Group's accounting policies, key performance indicators and performance incentives.
- inquired of management, the British Council's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the British Council and its Group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the British Council and its Group's controls relating to the British Council's compliance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland Regulations) 2009 and Managing Public Money;
- inquired of management, British Council's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including relevant component audit teams and the relevant internal and external specialists, including Overseas Tax support, Heritage Asset valuation and Land and Buildings valuation specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the British Council and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the British Council and Group's framework of authority and other legal and regulatory frameworks in which the British Council and Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the British Council and its Group. The key laws and regulations I considered in this context included The Charities Act 2011, the Charities Trustee and Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland Regulations) 2009, Managing Public Money and any relevant employment law, tax legislation, and money laundering legislation.

I considered the presumed risk of fraud in revenue recognition, and assessed the risk of breaches of Regularity resulting from the British Council's activities.

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and relevant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

### Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

### Use of my report

This report is made solely to the Trustees, in accordance with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2009 and my letter of engagement dated 13 November 2025. My audit work has been undertaken so that I might state to you those matters I am required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trustees and those set out under these Acts, for my audit work, for this report or for the opinions I have formed.

### Gareth Davies

Comptroller and Auditor General

19 March 2026

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

A man with a beard and headphones is sitting at a desk, writing in a notebook. He is wearing a blue patterned shirt. The background is a classroom setting with other people blurred.

# Accounts

# Accounts

## Consolidated Statement of Financial Activities for the year ended 31 March 2025

	Notes	Unrestricted £'000	Restricted £'000	2024–25 Total £'000	*Restated Unrestricted £'000	Restricted £'000	*Restated 2023–24 Total £'000
<b>Income and endowments from:</b>							
Donations and legacies	3	36,000	126,500	162,500	35,000	138,000	173,000
Charitable activities							
Developing a wider knowledge of the English language		720,402	4,887	725,289	721,742	3,012	724,754
Encouraging educational co-operation and promoting the advancement of education		20,335	68,188	88,523	22,374	28,112	50,486
Encouraging cultural, scientific and technological co-operation		1,677	10,766	12,443	1,418	10,096	11,514
<b>Total income received to promote cultural relationships and the understanding of different cultures</b>	<b>4</b>	<b>742,414</b>	<b>83,841</b>	<b>826,255</b>	<b>745,534</b>	<b>41,220</b>	<b>786,754</b>
Other trading activities		665	–	665	293	–	293
Investments		10,407	–	10,407	12,458	–	12,458
Profit on disposal of fixed assets		531	–	531	57	–	57
Foreign exchange gains		10,087	–	10,087	16,776	–	16,776
<b>Total income</b>		<b>800,104</b>	<b>210,341</b>	<b>1,010,445</b>	<b>810,118</b>	<b>179,220</b>	<b>989,338</b>
<b>Expenditure on:</b>							
Raising funds		44	–	44	45	–	45
Charitable activities							
Developing a wider knowledge of the English language		768,333	32,385	800,718	811,215	30,065	841,280
Encouraging educational co-operation and promoting the advancement of education		43,303	129,901	173,204	47,514	99,389	146,903
Encouraging cultural, scientific and technological co-operation		15,752	47,828	63,580	17,716	47,933	65,649
<b>Total resources expended to promote cultural relationships and the understanding of different cultures</b>	<b>5(a)</b>	<b>827,388</b>	<b>210,114</b>	<b>1,037,502</b>	<b>876,445</b>	<b>177,387</b>	<b>1,053,832</b>
Taxation	8	16,253	–	16,253	16,124	–	16,124
<b>Total expenditure</b>		<b>843,685</b>	<b>210,114</b>	<b>1,053,799</b>	<b>892,614</b>	<b>177,387</b>	<b>1,070,001</b>

## Consolidated Statement of Financial Activities for the year ended 31 March 2025 (continued)

		Unrestricted	Restricted	2024–25 Total	*Restated Unrestricted	Restricted	*Restated 2023–24 Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure on:</b>							
Reversal of prior years' losses/ (loss on equity investments)		3,219	–	3,219	(910)	–	(910)
<b>Net expenditure</b>		<b>(40,362)</b>	<b>227</b>	<b>(40,135)</b>	<b>(83,406)</b>	<b>1,833</b>	<b>(81,573)</b>
<b>Transfers between funds:</b>							
Transfer of unrestricted heritage asset reserve to restricted funds	18(a), 18(b)	(1,054)	1,054	–	(4,667)	4,667	–
<b>Other recognised gains/(losses):</b>							
Funds spent from restricted reserves	18(a)	1,794	(1,794)	–	(443)	443	–
Gains on revaluation of tangible fixed assets	18(a)	33,099	–	33,099	1,723	–	1,723
Gains on revaluation of intangible fixed assets	18(a)	5,490	–	5,490	1,734	–	1,734
Gains on revaluation of heritage assets	18(a)	3,683	–	3,683	7,261	–	7,261
Foreign exchange differences arising on consolidation of foreign operations	18(a)	(16,228)	–	(16,228)	(12,716)	–	(12,716)
<b>Net movement in funds</b>		<b>(13,578)</b>	<b>(513)</b>	<b>(14,091)</b>	<b>(90,514)</b>	<b>6,943</b>	<b>(83,571)</b>
Total funds brought forward		204,257	113,925	318,182	294,771	106,982	401,753
<b>Total funds carried forward</b>		<b>190,679</b>	<b>113,412</b>	<b>304,091</b>	<b>204,257</b>	<b>113,925</b>	<b>318,182</b>

\*See note 28 prior period adjustments

The British Council's non-consolidated total incoming resources for 2024–25 were £807 million (2023–24: £781 million); total resources expended were £862 million (2023–24: restated £876 million); and total net outgoing resources were £55 million (2023–24: net outgoing resources of restated £95 million).

Restricted activity includes £0.16 million (2023–24: £20.5 million) of income and expenditure relating to projects carried out on behalf of the European Commission.

Unrestricted fees and gross income from services and other sources includes £2 million (2023–24: £3.9 million) received in relation to European Commission projects.

There were no other recognised gains and losses other than those passing through the Consolidated Statement of Financial Activities. All activities are continuing.

The notes on pages 92 to 144 form part of these accounts.

## Consolidated and British Council Balance Sheet at 31 March 2025

	Notes	Group		British Council	
		2025	*Restated 2024	2025	*Restated 2024
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Intangible fixed assets	9	37,576	30,402	32,558	30,090
Tangible fixed assets	10	177,446	147,917	170,419	141,354
Heritage assets	11	199,364	195,681	199,364	195,681
Investments	12(a)	148	137	575	564
Investments in joint venture	12(b)	263	672	263	672
<b>Total non-current assets</b>		<b>414,797</b>	<b>374,809</b>	<b>403,179</b>	<b>368,361</b>
<b>Current assets</b>					
Loans to subsidiaries	12(e)	–	–	156	538
Stock		107	130	87	127
Debtors	13	135,113	145,506	214,007	213,543
Short-term investments	14(b)	75,798	156,459	51,316	145,918
Cash at bank	14(a)	259,004	311,553	133,432	190,915
<b>Total current assets</b>		<b>470,022</b>	<b>613,648</b>	<b>398,998</b>	<b>551,041</b>
<b>Liabilities: amounts falling due within one year</b>					
Creditors (amounts falling due within one year)	15(a)	(315,074)	(598,133)	(285,987)	(577,781)
Short-term provision for liabilities and charges	16(a)	(26,553)	(41,290)	(22,914)	(39,186)
<b>Net current assets</b>		<b>128,395</b>	<b>(25,775)</b>	<b>90,097</b>	<b>(65,926)</b>
<b>Total assets less current liabilities</b>		<b>543,192</b>	<b>349,034</b>	<b>493,276</b>	<b>302,435</b>
<b>Liabilities: amounts falling due after more than one year</b>					
Creditors (amounts falling due after one year)	15(c)	(197,000)	–	(197,000)	–
Long-term provision for liabilities and charges	16(b)	(9,896)	(396)	(9,389)	(396)
Terminal gratuity	17	(32,205)	(30,456)	(27,443)	(26,499)
<b>Net assets</b>		<b>304,091</b>	<b>318,182</b>	<b>259,444</b>	<b>275,540</b>

## Consolidated and British Council Balance Sheet at 31 March 2025 (continued)

	Notes	Group		British Council	
		2025	*Restated 2024	2025	*Restated 2024
		£'000	£'000	£'000	£'000
<b>Funds and reserves</b>					
<b>Unrestricted funds</b>					
General account	18(a)	(110,708)	(57,798)	(143,309)	(93,564)
Limited access reserve	18(a)	–	–	–	–
Risk reserve	18(a)	–	–	–	–
Investment fund	18(a)	–	–	–	–
Capital account	18(a)	81,362	83,248	77,017	78,926
Revaluation account	18(a)	133,660	95,071	125,960	92,518
Heritage asset reserve – unrestricted	18(a)	86,364	83,735	86,364	83,735
<b>Total unrestricted funds</b>		<b>190,678</b>	<b>204,256</b>	<b>146,032</b>	<b>161,615</b>
<b>Restricted funds</b>					
Income reserve – restricted	18(b)	191	1,794	191	1,794
Expendable endowment reserve	18(b)	221	185	221	185
Heritage asset reserve – restricted	18(b)	113,000	111,946	113,000	111,946
<b>Total restricted funds</b>		<b>113,412</b>	<b>113,925</b>	<b>113,412</b>	<b>113,925</b>
<b>Total charity funds</b>		<b>304,090</b>	<b>318,181</b>	<b>259,444</b>	<b>275,540</b>
Minority interest	18(a)	1	1	–	–
<b>Total funds</b>		<b>304,091</b>	<b>318,182</b>	<b>259,444</b>	<b>275,540</b>

\*See note 28 prior period adjustments

Approved by the Board of Trustees and signed on its behalf on 19 March 2026.

**Dr Paul Thompson CBE**  
Chairman, British Council,  
on behalf of the Board of Trustees

**Scott McDonald**  
Chief Executive and Accounting Officer,  
British Council

## Consolidated reconciliation of net income/(expenditure) to net cash flow from operating activities

	Notes	2024–25		*Restated 2023–24	
		£'000	£'000	£'000	£'000
<b>Net income/(expenditure) (as per the Consolidated Statement of Financial Activities)</b>			<b>(40,135)</b>		<b>(81,573)</b>
Adjustments for:					
Interest receivable		(10,373)		(12,458)	
Interest and commitment fees on FCDO loan		13,797		11,219	
Depreciation charges including impairments	10	7,190		7,364	
Amortisation charges including impairments	9	6,957		5,083	
(Gain)/loss on the sale of tangible fixed assets		(1,415)		102	
Loss/(gain) on the sale of non-current investments		–		5	
Loss on equity investment	12(b)	(3,219)		910	
Taxation charge	8	16,253		16,124	
Decrease in stock		20		160	
Decrease in debtors excluding foreign exchange translation		9,350		20,766	
Decrease in creditors excluding overseas corporation tax creditors, loan from FCDO and foreign exchange translation		(81,675)		(13,292)	
(Decrease)/increase in provisions excluding foreign exchange translation		(3,137)		6,393	
<b>Total adjustments</b>			<b>(46,252)</b>		<b>42,376</b>
<b>Net cash flow from operating activities</b>			<b>(86,387)</b>		<b>(39,197)</b>

\*See note 28 prior period adjustments

## Consolidated cash flow statement for the year ended 31 March 2025

	Notes	2024–25		2023–24	
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities:</b>					
Net cash flow from operating activities		(86,387)		(39,197)	
Overseas corporation tax paid		(18,354)		(13,017)	
<b>Net cash provided by/(used in) operating activities</b>			<b>(104,741)</b>		<b>(52,214)</b>
<b>Cash flows from investing activities:</b>					
Interest receivable		10,373		12,383	
Purchase of intangible fixed assets		(7,871)		(10,534)	
Purchase of tangible fixed assets		(6,815)		(5,955)	
Purchase of subsidiary		(4,084)		–	
Proceeds from the sale of tangible fixed assets		1,995		145	
Purchase of non-current investments		(4)		(20)	
Proceeds from sale of non-current investments		4		13	
Short-term deposits (payments)	14(b)	(46,495)		(144,683)	
Short-term deposits (drawdown)	14(b)	127,156		122,721	
<b>Net cash provided by/(used in) investing activities</b>			<b>74,259</b>		<b>(25,930)</b>
<b>Cash flows from financing activities:</b>					
Loan from joint venture (repayment/impaired)		–		30	
Loan from FCDO (drawdown)		–		137,910	
Loan from FCDO (repayment)		–		(54,000)	
Interest and commitment fees on FCDO loan		(13,797)		(10,199)	
<b>Net cash provided by/(used in) financing activities</b>			<b>(13,797)</b>		<b>73,741</b>
<b>Movements in cash and cash equivalents in the year</b>			<b>(44,279)</b>		<b>(4,403)</b>
Change in cash and cash equivalents due to foreign exchange rate movements			(8,270)		5,653
Cash and cash equivalents at start of year	14(a)		311,553		310,303
<b>Cash and cash equivalents at end of year</b>	<b>14(a)</b>		<b>259,004</b>		<b>311,553</b>

These financial statements were authorised 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.

## 1 Basis of preparation and consolidation

### a) Basis of preparation

The accounts have been prepared in accordance with: FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019) (the SORP); the Charities Act 2011; the Charities and Trustee Investment (Scotland) Act 2005; the Charities Act 2009; the accounts direction issued by the Secretary of State for Foreign, Commonwealth and Development Affairs; and the Government Financial Reporting Manual 2024–25 (the FReM), where this exceeds but does not conflict with the SORP.

The British Council meets the definition of a Public Benefit Entity under FRS 102.

The accounts are prepared under the historic cost convention modified by the revaluation of tangible and intangible fixed assets, and quoted investments, which are held at fair value at the Balance Sheet date.

### (b) Consolidation

The consolidated financial statements include the results of the British Council, its subsidiaries and the special trusts controlled by the British Council together with the group's attributable share of the results of its associates and joint ventures. A subsidiary is an entity controlled by the British Council. Control exists where the British Council has the right to govern the operating and financial policies of that entity.

Details of the British Council's subsidiaries, joint ventures and special trusts are listed in note 12(d), 12(b) and note 18(b) respectively.

No separate Statement of Financial Activities has been presented for the British Council Charity.

No separate cash flow statement has been prepared for the British Council Charity as permitted by the exemption in paragraph 1.12 of FRS 102.

### (c) Going concern

The accounts for the year ended 31 March 2025 have been prepared on a going concern basis: both the Board of Trustees and management believe that this is an appropriate basis of preparation. Note 27 details how the British Council has reached this assessment.

### (d) Foreign exchange

The functional and presentation currency of the British Council is the British pound (sterling). Transactions in foreign currencies are translated into sterling using an average rate for the month in which the transaction took place. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the Balance Sheet date. All exchange differences incurred in the year are taken to the Consolidated Statement of Financial Activities. Non-monetary items are translated using the exchange rate at the time of purchase or subsequent revaluation. The foreign exchange element of revaluations of fixed assets is accounted for as part of the revaluation amount.

The financial statements of group subsidiaries or branches whose functional currency is not sterling are translated into sterling prior to consolidation in the British Council group accounts. Income and expense items are translated using an average rate for the month in which the transaction took place. Assets and liabilities are translated using the rate of exchange on the Balance Sheet date. Equity and reserve balances are translated using the rate on the date the equity was issued or that the transaction took place. Exchange differences arising on consolidation are taken to reserves and shown in 'Other recognised gains or losses'.

## (e) Key accounting estimates and judgements

In applying the British Council's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the future. These judgements, estimates and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The following areas involving judgements, estimations and assumptions are considered to have the most significant effect on the amounts recognised in the accounts.

### (i) Valuation of property

Land and buildings are valued by an external valuer, Jones Lang LaSalle Incorporated (JLL), the British Council's Global Real Estates services provider. Property valuations involve a degree of professional judgement, use a wide range of data on economic conditions and property markets, and certain assumptions and forecasts including discount and index rates.

Valuations of land and buildings are a mix of full valuations and desktop valuations. Desktop valuations are undertaken without an inspection and assume that there is nothing that would be discovered upon inspection that would have an adverse effect upon the opinion of the value.

Where the British Council does not have clear title to a property, but has unrestricted use of the property, it is included in the accounts as if it were owned. Land and buildings held in sterling but valued in foreign currency are retranslated into sterling at the Balance Sheet date where the movement in the exchange rate is judged to be material.

### (ii) Heritage assets

Where fair value can be reliably estimated, the British Council's works of art are revalued and recorded on the Balance Sheet at fair value, which is market value. The works of art are valued by either a professional external valuer or by the Head of Collection and Collection Manager, who are British Council members of staff. Factors considered in the valuation include inspection of the works, provenance and available transactions of similar or comparable works. Valuations involve a degree of professional judgement, especially since artworks are unique. Where no readily ascertainable market value is available, the works of art are recorded either at the initial purchase price or at the original valuation on the date of donation.

### (iii) Provisions

#### Taxation

As the activities of the British Council overseas have developed over time, global regulatory environments have evolved, and the nature of our presence in many countries has developed, the organisation has faced uncertainties over its legal and tax status in particular countries. In recent years steps have been taken to resolve the status position in the key territories in which the British Council operates, but there are potential taxation and other liabilities associated with 'in country' status changes or uncertainties over the interpretation of tax laws and regulations as applied to past activities. Consequently the British Council has a number of open tax issues, mainly arising from its historic presence and changing nature of its activities in overseas territories. Provision is made for settling these matters when there is reasonable proof that foreign tax authorities intend to claim that payment of tax related to specific activities. This would normally be when the British Council have received notice from the authorities of their intent to levy such charges or discussions with relevant fiscal authorities are ongoing.

### Redundancy

As part of its transformation programme, the British Council is making redundancy payments to staff who leave the organisation because their role no longer exists. The British Council recognises these costs and provides for them when the obligation to make the payment arises, it is probable that the redundancy payment will be made and the amount of the obligation can be estimated reliably. The British Council considers that the obligation to make the payment arises at the point that it informs specific staff that their role is at risk. At this stage, the number of roles being made redundant is known but it is not known which individual staff will be made redundant. The provision is therefore based on the average salary and average length of service for the roles being made redundant. Where the roles are performed in different countries and it is not known which countries the roles will be lost from, a weighted average of the rates in the different countries is used. When the individuals that are going to be made redundant are identified and the amount of their redundancy is calculated, the provision is updated to reflect the actual amount of the redundancy that will be paid.

### Dilapidations

Dilapidation costs in respect of leases are an estimate of the expenditure required to return vacated leased buildings to their original condition. Dilapidation costs can be difficult to predict as they are obligations under the terms of a lease which are the subject of negotiation at the time of exit from a lease. Until those negotiations are completed the costs remain uncertain.

Historically the amounts paid out for dilapidations are low. The British Council uses its prior experience to assess which properties it is probable that it will have to make a payment for and provides for these costs. The provision is based on industry benchmarks of the reinstatement cost per square metre for the country, appropriately discounted for the impact of negotiated reductions where this can be reliably estimated.

Where the British Council assesses that it is possible but not probable that a payment will be required or cannot make a reliable estimate of the amount, it discloses a contingent liability. The contingent liability disclosed is based on industry benchmarks of the reinstatement cost per square metre for the country, which reflects the highest reasonable estimate of the possible liability. In practice, the British Council expects to pay out an amount less than this.

The industry benchmarks are provided by the British Council's Global Real Estates Services provider, JLL, and take into account local market rates.

### (iv) Valuation of defined benefit pension scheme

The British Council operates a defined benefit scheme for UK-appointed employees formerly employed by the Central Bureau for Educational Visits and Exchanges Scheme (the scheme). The present value of the British Council's liability for its obligations and the fair value of the scheme assets are calculated by independent actuaries. The calculation of the present values uses significant actuarially derived assumptions about variables such as inflation, expected long-term rates of return, discount factors and life expectancies.

## 2 Accounting policies

### (a) Fund accounting

Funds are classified as either unrestricted or restricted.

#### (i) Unrestricted funds

Unrestricted funds are funds which the Trustees are free to use for any purpose in furtherance of the British Council's charitable objects. They are managed in accordance with the British Council's reserves policy.

Unrestricted funds include designated funds which are set aside at the discretion of the Trustees for a specific purpose, or where funds are effectively constrained by their application in operational fixed assets. The purpose and any application of designated funds are set out in note 18 to the accounts.

#### (ii) Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the provider of the funds. Restricted funds include trust funds that are controlled by the British Council but that have objects narrower than those of the British Council. These funds are separately maintained and disbursed in accordance with the terms of each trust and/or terms specified by the funding providers.

#### (iii) Transfer between funds

The British Council makes transfers from its unrestricted funds to restricted funds when a shortfall arises in the restricted funds. Transfers from restricted funds to unrestricted funds are only made when the funds have been lawfully released.

### (b) Income

Income is recognised when the British Council becomes entitled to it, its receipt is probable and the amount can be measured reliably. Income is not recorded where the British Council acts as agent, either collecting funds on behalf of a third party or distributing funds without having discretion as to how the funds are used.

The British Council has not received any funds from the EU for which it acts as agent. It accounts for funds received from the EU as income in accordance with paragraphs 11.1.7 and 11.1.9 of the FReM.

Income is deferred where payment has been received, or at the point where the British Council can legally enforce receipt, but where the related goods or services have not been delivered.

#### (i) Income from donations

Income from donations comprises:

- grants provided by government and charitable foundations
- donations of services, facilities and goods.

Grants provided by government and charitable foundations includes grants which are of a general nature and not conditional on delivering specific services or goods. This income is recognised in the period in which it is received. Grant-in-aid received from the FCDO is included in this category.

**(ii) Income from charitable activities**

Income from charitable activities comprises:

- income from grants for the supply of specific goods and services to beneficiaries
- contractual income earned through the provision of specific goods and services.

Income from the supply of specific goods and services is recognised with the delivery of the contracted goods or service, provided that the stage of the completion, the costs incurred in delivering the service and the costs to complete the requirements of the contract can all be measured reliably.

Where there is a timing difference between income recognition and receipt of payment, a debtor or creditor is recognised and classified as 'Balances resulting from activity under contracts and agreements'.

The British Council accounts for all of its contracts with, or grants from, the European Commission in line with its accounting policy for contractual income and grants respectively. These are included within income from charitable activities.

The value of time given by volunteers is excluded from the accounts as their contribution to the charity cannot be reasonably quantified in financial terms. During 2024–25, the British Council used volunteers to provide logistical and administration support, for example at some British Council events overseas.

**(c) Recognition of expenditure**

All expenditure is accounted for on an accruals basis.

Grant expenditure is recognised in accordance with the terms of the grant agreement, when the recipient has a reasonable expectation that they will receive the grant and there are no conditions within the British Council's control that would allow it to avoid payment.

A liability is recognised for probable grant obligations, except in circumstances where there are conditions that could allow the British Council to avoid payment. Where conditions do not apply, a liability is recognised for the full amount of the grant unless there is reliable evidence, such as historic data for similar programmes, that the beneficiary will not spend the full grant available. In these cases, the liability is recognised net of the estimated return from the beneficiary.

The cost of developing new products and services is included within resources expended in the year in which it is incurred. All development of new products and services are for primary purpose activities.

**(d) Classification of expenditure**

Expenditure in the Consolidated Statement of Financial Activities is classified as Expenditure on raising funds or Expenditure on charitable activities. Governance costs are shown separately as these contribute to all of the British Council's activities.

**(i) Expenditure on charitable activities**

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

It is analysed into the same categories of charitable activity as Income from charitable activities.

Expenditure on charitable activities includes the direct cost of delivering the activity, grants payable and support costs. The notes to the accounts provide an analysis of expenditure between these categories.

Support costs include management, finance, human resources, IT, governance and office costs. These are allocated between charitable activities according to the functional nature of the department incurring the expenditure and the location and nature of the activity to which the cost contributes.

Governance costs relate to the cost of the public accountability of the British Council and of its compliance with regulatory requirements and good practice and comprise relevant directly attributable staff costs as well as legal and statutory audit costs.

## **(e) Taxation**

The British Council's tax status, and its liability to tax, varies from country to country according to relevant tax legislation and regulations as applied to the activities the British Council undertakes.

### **(i) Income tax**

The British Council as a registered charity is exempt from UK Corporation Tax on its income and gains falling within Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objects. Accordingly, no UK Corporation Tax has been incurred by the Charity during 2024–25.

The taxation charge for the year comprises the current and deferred tax for those overseas subsidiaries and branches where surpluses are subject to income tax.

A current tax liability is recognised for tax payable on taxable profit for the current and past periods. A current tax asset is recognised if the amount of tax paid for the current and past periods exceeds the amount of tax payable for those periods.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of the current and previous periods. Deferred tax, where applicable, is recognised in respect of all timing differences at the reporting date. A timing difference arises where income and expenses are recognised in tax assessments in different periods to those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### **(ii) Value added tax**

Irrecoverable and partially recoverable Value Added Tax (VAT) is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable the underlying transactions are recorded net of VAT.

## **(f) Intangible fixed assets**

Intangible assets comprise purchased computer software licences and any costs directly attributable to bringing the licences into use, such as configuration or implementation costs. The costs of bespoke systems developed by the British Council are capitalised where all of the criteria in FRS 102 are met. Intangible assets are capitalised where expenditure of £3,000 or more is incurred.

Intangible assets are included initially at cost and revalued annually to fair value (market value) where such valuations can be reasonably obtained. Market value is based on quotes from suppliers for the cost of buying the same or equivalent asset as at that date.

Intangible assets are amortised at rates calculated to write off the assets on a straight-line basis over the period of the related licence, or the period over which the British Council anticipates using the asset, if shorter. Useful lives range between 3 and 9 years. Amortisation charges are included in Expenditure on charitable activities, as either direct costs or support costs, according to the activity that the underlying asset is used to deliver.

**(g) Tangible fixed assets**

Expenditure of £3,000 or more on a tangible asset, or group of related assets, with an economic life over one year is capitalised.

Fixed assets costing less than £3,000 are expensed in the year of acquisition.

**(i) Depreciation**

Tangible fixed assets, other than freehold land, assets under construction and heritage assets, are depreciated using the straight-line method over their estimated useful lives as follows:

Freehold and long-leasehold buildings	30–50 years
Long-leasehold land	term of lease
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.

Depreciation charges are included in Expenditure on charitable activities, as either direct costs or support costs, according to the activity that the underlying asset is used to deliver.

Assets under construction are not depreciated until brought into operational use.

**(ii) Valuation basis**

The British Council revalues its fixed assets and carries them at fair value at the valuation date less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Land and buildings are valued by an external valuer JLL, a commercial property consultancy firm, in accordance with the guidelines issued by the Royal Institution of Chartered Surveyors. Previously, the valuation of land and building was done by CBRE. All freehold and long leasehold land and buildings were revalued by CBRE as at 31 March 2021. Approximately one fifth of the portfolio has a full valuation involving a physical inspection each year so that the whole portfolio has a full physical valuation on a rolling five-year basis. In addition, a sample of the properties not physically inspected in the year have a desk valuation. This includes the highest value properties and a sample of others sufficient to ensure that the value of the portfolio is materially correct.

Land and buildings are valued at current value in existing use. For non-specialised properties, this is market value in existing use. For specialised properties, this is the present value of their current service potential, which is usually depreciated replacement cost. Where there are restrictions on the British Council's rights to use a property, this is taken into account in the valuation and disclosed in the notes to the accounts. Properties earmarked for disposal are valued at fair value, which is usually open market value.

All other tangible fixed assets are included initially at cost and revalued annually to fair value (market value), where material. Valuation takes place annually as at the Balance Sheet date, using appropriate cost indices.

All upward revaluation adjustments are added to the Revaluation reserve and recognised as ‘Gains/(losses) on the revaluation of fixed assets’ within the Consolidated Statement of Financial Activities, unless they reverse a charge for impairment that has previously been recognised as a cost.

Downward revaluation adjustments as a result of consumption of economic benefit are recognised as an expense in the relevant expenditure heading of the Consolidated Statement of Financial Activities. Other downwards revaluations are taken to the Revaluation reserve and shown in the ‘Gains/(losses) on the revaluation of fixed assets’ section of the Consolidated Statement of Financial Activities to the extent of previous upwards revaluations, and thereafter are charged to the relevant expenditure heading in the Consolidated Statement of Financial Activities.

When a fixed asset is disposed of, the Revaluation reserve and Capital account are adjusted appropriately.

### **(h) Heritage assets**

The British Council’s heritage assets comprise its permanent collection of over 8,800 purchased and donated works of art. This includes paintings, sculptures, drawings, prints, photographs, moving images and new media.

All the heritage assets are included in the Balance Sheet. Heritage assets are not depreciated as they are considered to have an indefinite life.

Purchased heritage assets are recognised initially at purchase price. Donated heritage assets are recognised at fair value at the time of donation, where this is readily ascertainable. This is estimated by reference to recent market transactions or binding sale agreements in identical assets or in assets that are substantially the same as the asset being measured and between knowledgeable, willing parties in an arm’s length transaction.

Where fair value can be reliably estimated, the British Council’s works of art are revalued and recorded on the Balance Sheet at fair value, which is market value. Where no readily ascertainable market value is available, heritage assets are recorded either at the initial purchase price or at the original valuation on the date of donation.

Approximately 80 per cent of the value of the works of art is revalued each year. This includes the top 100 works of art which usually make up this value. In addition, a sample of the remaining 20 per cent is also revalued to ensure the portfolio value is materially correct.

In 2024–25, the top 100 items by value and a sample of other items in other categories were revalued. Please see note 11 for details of work revalued during the financial year.

The valuations are either by a professional external valuer or by the Head of Collection and Collection Manager, who make the valuations by reference to sales of comparable items at auction. A professional external valuer was used in 2024–25.

The professional external valuer used is Coram James, an independent art advisory and valuation business. Their qualifications and expertise are available at:

<https://coramjames.com/meet-our-team/>

The Head of Collection and Collection Manager are members of the British Council’s staff.

Any gains on the revaluation of heritage assets are recognised in the Heritage asset reserves.

Heritage assets are reviewed annually for impairment. Downward revaluation adjustments as a result of damage or other consumption of economic benefit are recognised as an expense in the relevant expenditure heading of the Consolidated Statement of Financial Activities. Other downwards revaluations are taken to the heritage asset reserves and shown in the 'Gains/(losses) on the revaluation of heritage assets' section of the Consolidated Statement of Financial Activities to the extent of previous upwards revaluations, and thereafter are charged to the relevant expenditure heading in the Consolidated Statement of Financial Activities.

The policy for the acquisition, preservation and management of the art collection can be found on the following website: <https://arts.britishcouncil.org/projects/british-council-collection>

## **(i) Non-current investments**

Non current investments include investments in subsidiaries and joint ventures, and quoted investments. Investments in subsidiaries are included in the Balance Sheet of the British Council Charity at the amount invested by the British Council less any impairments (in the case of equity or loans) and any amounts repaid (in the case of loans). Where impairments are identified, they are expensed. Investments in joint ventures are initially recognised at cost, subsequently adjusted for the post-acquisition change in the British Council's share of net assets in the joint venture entity. Intragroup balances, including investments in subsidiaries, are eliminated on preparation of the group Balance Sheet. Investments in quoted shares are measured initially at cost and revalued to fair value (market value) at the Balance Sheet date.

## **(j) Current assets and liabilities**

### **(i) Assets and liabilities**

Debtors are recognised at the undiscounted amount of cash receivable, reduced by appropriate provisions for estimated irrecoverable amounts. The British Council does not have any debts due in more than one year.

Short-term investments consist of cash on deposit with a maturity of less than one year held for investment purposes rather than to meet short-term cash commitments as they fall due.

Cash at bank and in hand consists of cash and cash equivalents held to meet short-term cash commitments as they fall due rather than for investment purposes. It includes cash held in highly liquid deposit accounts.

Creditors are recognised at their settlement amount. The British Council does not have any creditors due in more than one year.

Loans are initially recognised at transaction price less transaction costs, where material. They are subsequently valued at amortised cost using the effective interest method. Interest is charged to the Consolidated Statement of Financial Activities and is included in expenditure on charitable activities.

Provisions are recognised when the British Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions for liabilities and charges are accounted for at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date, discounted to present values where the effect of discounting is considered to be material.

### **(ii) Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The British Council has chosen to adopt the provisions of sections 11 and 12 of FRS 102. The only financial assets and liabilities that the British Council holds that do not fall within the definition of basic financial instruments per section 11 of FRS 102 are forward foreign exchange contracts. Hedge accounting is not used.

Basic financial assets consist of debtors, cash at bank and short term investments. They are initially recognised at transaction price and subsequently valued at amortised cost (using the effective interest method for amounts due in more than one year), less impairment.

Basic financial liabilities consist of creditors and loans from third parties. They are initially recognised at transaction price, and subsequently valued at amortised cost using the effective interest rate method for amounts due in more than one year.

The British Council uses forward foreign exchange contracts to reduce exposure to movements in exchange rates. These contracts are carried at fair value, and any gains or losses in fair value are recognised in the Consolidated Statement of Financial Activities in accordance with section 12 of FRS 102. The fair value of a forward foreign exchange contract at the balance sheet date is the difference between the original contract amount of currency bought (or sold) at the original contract maturity date and the value of a new contract taken out at the balance sheet date to buy (or sell) the same currency amount at the new forward rate to the original contract maturity date, discounted back to the balance sheet date.

## **(k) Leases**

### **(i) Operating leases**

Rentals payable under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the term of the lease. Rent free periods and other lease incentives are accounted for as a reduction to the lease expense over the lease term on a straight-line basis.

The British Council does not have any finance leases.

## **(l) Pension schemes and other post employment benefits**

### **(i) Civil Service pension arrangements**

Past and present UK-appointed employees are covered by the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme (CSOPS) or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all new UK-appointed employees and the majority of those already in service joined alpha. Prior to that date, UK-appointed employees participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) and one providing benefits on a whole career basis (nuvos).

The Civil Service pension arrangements are unfunded multi-employer defined benefit schemes, managed by the Cabinet Office. The British Council is unable to identify its share of the underlying assets and liabilities. 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 Cabinet Office of amounts calculated on an accruing basis. Liability to pay future benefits is a charge on the Civil Superannuation Account rather than the British Council and the benefits are paid from monies voted by Parliament each year.

### **Early retirement in the Civil Service pension arrangements**

The British Council is required to meet the additional costs of pension benefits before normal retirement age in respect of employees who retire under early severance and early retirement schemes. Provision is made for future liabilities on the basis of costs estimated at the Balance Sheet date for employees who have, or are expected to, retire early as part of structured retirement schemes. The British Council pays the required amounts annually to the Cabinet Office over the period between early departure and normal retirement date.

**(ii) Other pension schemes**

Certain UK-appointed employees, formerly employed by the Central Bureau for Educational Visits and Exchanges, are members of a separate, funded and contributory defined benefit scheme. The scheme is no longer open to new entrants and existing members of the scheme ceased to accrue benefits from 31 January 2013.

The present value of the British Council's liability for its obligations and the fair value of the scheme assets are calculated by independent actuaries. If there is a net liability, it is recognised in the Balance Sheet. If there is a net asset, this is only recognised in the Balance Sheet when the British Council has an unconditional right to a refund of the surplus in the case of a gradual settlement of liabilities. In the event of a winding up of the scheme, no surplus is expected to remain because the British Council's estimate of the Scheme liabilities will increase, as a result of member benefits being increased to HMRC's limits as specified in the rules of the Trust Deed.

Changes in the net asset or liability during the period that result from employee service or interest on the net liability are recognised in the appropriate heading in the Consolidated Statement of Financial Activities in that period. Changes as a result of actuarial gains or losses are recognised in 'Other recognised gains or losses'.

For overseas defined contribution schemes, the British Council recognises the contributions payable as an expense in the Consolidated Statement of Financial Activities in the period in which the liability to make the payment is incurred.

Staff costs, including the costs of pensions, are allocated between charitable activities according to the functional nature of the department that the employee works for and the location and nature of the activity to which the employee contributes. The breakdown of expenditure between charitable activities is in note 5.

**(iii) Terminal gratuities**

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. The terminal gratuity is paid as a lump sum to the employee when their employment ends. 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. There are no plan assets and payments are made out of the cash held as at the time the terminal gratuity is paid. Terminal gratuities are post employment benefits but are accounted for as provisions. The impact of this is not considered material.

**(m) Redundancy costs**

Redundancy and other departure costs for UK appointed staff are paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year that the departure is agreed. Where the British Council agrees early retirements, the additional costs are met by the British Council and not by the CSCS. Ill-health retirement costs are met by the pension scheme and are not included in note 7(c).

Redundancy and other departure costs for overseas-appointed staff are calculated in accordance with the relevant Terms and Contract of Service and applicable local regulations. They are recognised when the obligation to make the payment arises, it is probable that the payment will be made and the amount of the obligation can be estimated reliably. The British Council considers that the obligation to make redundancy payments arises at the point that it informs specific staff that their role is at risk.

**(n) Contingent liabilities**

Where the British Council has significant obligations which do not meet the criteria for recognising provisions in section 21 of FRS 102, these are disclosed as contingent liabilities unless such disclosure would seriously prejudice the position of the British Council.

**(m) Dilapidations**

The British Council provides for dilapidations where:

- a. an obligation exists at the reporting date;
- b. it is probable (i.e. more likely than not) that the British Council will be required to transfer economic benefits in settlement; and
- c. the amount of the obligation can be estimated reliably.

The British Council discloses dilapidations as a contingent liability if the existence of an obligation is possible but not certain or a present obligation that is not recognised because it fails to meet one or both of the following conditions:

- a. It is probable (i.e. more likely than not) that the British Council will be required to transfer economic benefits in settlement and/or
- b. the amount of the obligation can be estimated reliably.

Historically the amounts paid out for dilapidations are low. The British Council uses its prior experience to assess which properties it is probable that it will have to make a payment for. The provision or contingent liability is based on industry benchmarks of the reinstatement cost per square metre for the country, appropriately discounted for the impact of negotiated reductions where this can be reliably estimated. The industry benchmarks are provided by the British Council's property advisers and valuers, JLL (Jones Lang LaSalle Incorporated), and take into account local market rates.

### 3 Donations and legacies

	2024–25			2023–24		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Grant-in-aid – revenue	36,000	126,500	162,500	35,000	138,000	173,000
<b>Total donations</b>	<b>36,000</b>	<b>126,500</b>	<b>162,500</b>	<b>35,000</b>	<b>138,000</b>	<b>173,000</b>

The grant-in-aid was received from the FCDO.

### 4 Income from charitable activities

Fees, sponsorship and other income received from activities in furtherance of the objects.

	Developing a wider knowledge of the English language	Encouraging educational co-operation and promoting the advancement of education	Encouraging cultural, scientific and technological co-operation	2024–25 Total
	£'000	£'000	£'000	£'000
<b>Unrestricted</b>				
Contract income	6,535	17,132	539	24,206
Teaching and exams	702,138	–	7	702,145
Other income	11,729	3,203	1,131	16,063
<b>Total unrestricted income</b>	<b>720,402</b>	<b>20,335</b>	<b>1,677</b>	<b>742,414</b>
<b>Restricted</b>				
Contract income	3,702	29,445	551	33,698
Grants for delivering specific charitable activities	1,185	38,743	10,215	50,143
<b>Total restricted income</b>	<b>4,887</b>	<b>68,188</b>	<b>10,766</b>	<b>83,841</b>
<b>Total</b>				
Contract income	10,237	46,577	1,090	57,904
Grants for delivering specific charitable activities	1,185	38,743	10,215	50,143
Teaching and exams	702,138	–	7	702,145
Other income	11,729	3,203	1,131	16,063
<b>Total income received to promote cultural relationships and the understanding of different cultures</b>	<b>725,289</b>	<b>88,523</b>	<b>12,443</b>	<b>826,255</b>

	Developing a wider knowledge of the English language	Encouraging educational co-operation and promoting the advancement of education	Encouraging cultural, scientific and technological co-operation	2023–24 Total
	£'000	£'000	£'000	£'000
<b>Unrestricted</b>				
Contract income	6,577	18,014	546	25,137
Teaching and exams	704,091	102	50	704,243
Other income	11,074	4,258	822	16,154
<b>Total unrestricted income</b>	<b>721,742</b>	<b>22,374</b>	<b>1,418</b>	<b>745,534</b>
<b>Restricted</b>				
Contract income	1,515	6,966	169	8,650
Grants for delivering specific charitable activities	1,497	21,146	9,927	32,570
<b>Total restricted income</b>	<b>3,012</b>	<b>28,112</b>	<b>10,096</b>	<b>41,220</b>
<b>Total</b>				
Contract income	8,092	24,980	715	33,787
Grants for delivering specific charitable activities	1,497	21,146	9,927	32,570
Teaching and exams	704,091	102	50	704,243
Other income	11,074	4,258	822	16,154
<b>Total income received to promote cultural relationships and the understanding of different cultures</b>	<b>724,754</b>	<b>50,486</b>	<b>11,514</b>	<b>786,754</b>

## 5 Expenditure on charitable activities

### (a) Total expenditure on charitable activities

	Developing a wider knowledge of the English language	Encouraging educational co-operation and promoting the advancement of education	Encouraging cultural, scientific and technological co-operation	2024–25 Total
	£'000	£'000	£'000	£'000
Grants payable	3,597	38,834	18,513	60,944
Direct costs	634,559	114,402	28,998	777,959
Support costs	162,562	19,968	16,069	198,599
<b>Total resources expended to promote cultural relationships and the understanding of different cultures</b>	<b>800,718</b>	<b>173,204</b>	<b>63,580</b>	<b>1,037,502</b>

	*Restated			
	Developing a wider knowledge of the English language	Encouraging educational co-operation and promoting the advancement of education	Encouraging cultural, scientific and technological co-operation	2023–24 Total
	£'000	£'000	£'000	£'000
Grants payable	1,476	6,131	17,516	25,123
Direct costs	680,133	114,943	31,590	826,666
Support costs	159,671	25,829	16,543	202,043
<b>Total resources expended to promote cultural relationships and the understanding of different cultures</b>	<b>841,280</b>	<b>146,903</b>	<b>65,649</b>	<b>1,053,832</b>

\*See note 28 prior period adjustments

Included in the above resources expended are costs of £271 million (2023–24: £177 million) relating to restricted expenditure. Also included are costs of £13.8 million (2023–24: £11 million) relating to interest and commitment fee on the loan received from the FCDO.

More detailed analysis of grants payable is provided in note 6.

Expenditure relating to staff costs have been included in direct costs. More detailed analysis of staff costs is provided in note 7.

## (b) Audit and non-audit fees

Included in direct costs and support costs are fees of £0.66 million payable to the National Audit Office for the audit of the Consolidated and British Council 2024–25 Annual Report and Accounts (2023–24: £0.63 million). There were no fees payable to the National Audit Office in respect of non-audit work.

In addition, total audit fees of £0.65 million (2023–24: £0.52million) were payable to the auditors of the Group's component audits. These comprise the audits of the Group's subsidiaries and the British Council's overseas branches where an audit is required by local regulations.

The following fees in respect of non-audit services were payable to the auditors of the Group's subsidiaries and British Council's overseas branches where an audit is required by local regulations:

	2024–25	2023–24
	£'000	£'000
Assurance	38	15
Tax advisory	194	74
Other advisory or accountancy	101	107
<b>Total</b>	<b>333</b>	<b>196</b>

## (c) Analysis of support costs

	Developing a wider knowledge of the English language	Encouraging educational co-operation and promoting the advancement of education	Encouraging cultural, scientific and technological co-operation	2024–25 Total
	£'000	£'000	£'000	£'000
IT	45,753	5,620	4,523	55,896
Property and related costs	35,815	4,400	3,540	43,755
Finance	22,314	2,741	2,206	27,261
Human resources	16,644	2,045	1,645	20,334
General administration	6,416	788	634	7,838
Governance	3,638	447	360	4,445
Other	31,982	3,927	3,161	39,070
<b>Total support costs</b>	<b>162,562</b>	<b>19,968</b>	<b>16,069</b>	<b>198,599</b>

	Developing a wider knowledge of the English language	Encouraging educational co-operation and promoting the advancement of education	Encouraging cultural, scientific and technological co-operation	2023–24 Total
	£'000	£'000	£'000	£'000
IT	41,981	6,791	4,349	53,121
Property and related costs	37,159	6,011	3,850	47,020
Finance	22,333	3,612	2,314	28,259
Human resources	18,110	2,929	1,876	22,915
General administration	16,124	2,608	1,671	20,403
Governance	4,069	659	422	5,150
Other	19,895	3,219	2,061	25,175
<b>Total support costs</b>	<b>159,671</b>	<b>25,829</b>	<b>16,543</b>	<b>202,043</b>

All support costs are apportioned over the business units using a combination of drivers i.e. usage of building (floor space), number of operational days, number of transactions, percentage of staff time, etc.

Included in the above table are support costs in relation to grant-making activities of £12 million (2023–24: £5.2 million).

## 6 Grants payable

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

A breakdown of the grant recipients by object and category is as follows:

	Developing a wider knowledge of the English language	Encouraging educational co-operation and promoting the advancement of education	Encouraging cultural, scientific and technological co-operation	2024–25 Total
	£'000	£'000	£'000	£'000
<b>Types of institutions</b>				
Universities	112	25,217	1,842	27,171
Other bodies	3,423	5,134	5,390	13,947
Charities, NGOs and social enterprises	1	6,655	3,476	10,132
Colleges	2	(753)	28	(723)
Schools	51	112	42	205
Arts bodies	–	1,018	5,611	6,629
Local government bodies	–	38	44	82
National and international government bodies	–	339	160	499
Environmental groups	–	614	460	1,074
<b>Total grants to institutions</b>	<b>3,589</b>	<b>38,374</b>	<b>17,053</b>	<b>59,016</b>
Grants to individuals	8	460	1,460	1,928
<b>Total grants payable to promote cultural relationships and the understanding of different cultures</b>	<b>3,597</b>	<b>38,834</b>	<b>18,513</b>	<b>60,944</b>

The following institutions received a net grant of £750,000 or more from the British Council during 2024–25, together these grant awards account for a total of £7.2 million (2023–24: £3.4 million).

- Edinburgh Napier University
- Global Partners Governance
- Mallinson Architects and Engineers
- Middlesex University London
- University of Bradford
- University of Leeds
- University of Manchester
- University of Strathclyde

Grants paid out by the British Council are usually unconditional therefore the full grant amount is recognised in the year of the award even though payments may be spread across several years. During the financial year, approximately £2.4 million (2023–24: £19 million) of mobility grants previously awarded were paid back by recipients. Recipients of mobility grants are required to travel to a particular location for the engagement specified in the grant agreement. However, most of this travel could not take place primarily due to Covid-19 related travel restrictions in place at the time. The grant term for these have ended or are coming to an end. The £2.4 million represents actual grants paid back for closed projects.

	Developing a wider knowledge of the English language	Encouraging educational co-operation and promoting the advancement of education	Encouraging cultural, scientific and technological co-operation	2023–24 Total
	£'000	£'000	£'000	£'000
<b>Types of institutions</b>				
Universities	25	5,076	2,127	7,228
Other bodies	1,397	(2,904)	3,560	2,053
Charities, NGOs and social enterprises	3	2,102	2,704	4,809
Colleges	–	(1,830)	44	(1,786)
Schools	13	551	(26)	538
Arts bodies	6	1,492	7,723	9,221
Local government bodies	–	669	100	769
National and international government bodies	6	127	94	227
Environmental groups	–	83	32	115
<b>Total grants to institutions</b>	<b>1,450</b>	<b>5,366</b>	<b>16,358</b>	<b>23,174</b>
Grants to individuals	26	765	1,158	1,949
<b>Total grants payable to promote cultural relationships and the understanding of different cultures</b>	<b>1,476</b>	<b>6,131</b>	<b>17,516</b>	<b>25,123</b>

## 7 Staff emoluments and related costs

### (a) Total staff costs

	2024–25	2023–24
	£'000	£'000
Wages and salaries – permanent staff	288,747	280,391
Wages and salaries – non-permanent staff	94,147	94,187
Social security costs	11,532	13,740
Other pension costs	25,398	25,988
Early retirement costs	216	4,609
<b>Total staff costs</b>	<b>420,040</b>	<b>418,915</b>

The 'wages and salaries - permanent staff' disclosed in the table above include the wages and salaries of staff members on fixed term contract who have the same employment benefits as other staffs on indefinite contract and are directly employed by the British Council.

Included in non-permanent wages and salaries was £73.6 million (2023–24: £74 million) relating to English language oral examiners, examination markers and invigilators who are paid on an hourly/daily rate.

### (b) The average number of employees by headcount

	2024–25	2023–24
	Average no. of staff	Average no. of staff
<b>United Kingdom</b>		
Management and administrative (senior managers – 334 (2023–24: 319))	1,024	983
<b>Overseas</b>		
Management and administrative (senior managers – 269 (2023–24: 261))	6,547	6,659
Teachers	1,875	1,848
<b>Total employees</b>	<b>9,446</b>	<b>9,490</b>

### (c) Redundancy and other departure costs

Exit package cost for UK-appointed staff falling within the following ranges:

	2024–25	2023–24	2024–25	2023–24	2024–25	2023–24
	No. of compulsory redundancies		No. of other departures agreed		Total number of exit packages by cost band	
<£10,000	4	–	1	–	5	–
£10,000 – £25,000	10	2	7	2	17	4
£25,000 – £50,000	16	1	9	2	25	3
£50,000 – £100,000	6	1	17	2	23	3
£100,000 – £150,000	–	–	6	–	6	–
£150,000 – £200,000	–	–	1	1	1	1
£200,000 – £250,000	–	–	1	–	1	–
<b>Total number of exit packages</b>	<b>36</b>	<b>4</b>	<b>42</b>	<b>7</b>	<b>78</b>	<b>11</b>
<b>Total resource cost (£)</b>	<b>1,079,075</b>	<b>124,124</b>	<b>2,821,244</b>	<b>410,711</b>	<b>3,900,319</b>	<b>534,835</b>

**Exit package cost for overseas-appointed staff falling within the following ranges:**

	2024–25	2023–24	2024–25	2023–24	2024–25	2023–24
	No. of compulsory redundancies		No. of other departures agreed		Total number of exit packages by cost band	
<£10,000	155	89	250	528	405	617
£10,000 – £25,000	23	21	7	13	30	34
£25,000 – £50,000	11	3	8	3	19	6
£50,000 – £100,000	5	1	2	2	7	3
£100,000 – £150,000	1	–	2	1	3	1
£150,000 – £200,000	–	–	–	–	–	–
<b>Total number of exit packages</b>	<b>195</b>	<b>114</b>	<b>269</b>	<b>547</b>	<b>464</b>	<b>661</b>
<b>Total resource cost (£)</b>	<b>1,494,039</b>	<b>688,389</b>	<b>1,070,806</b>	<b>1,372,251</b>	<b>2,564,845</b>	<b>2,060,640</b>

Redundancy and other departure costs for UK appointed staff have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. Exit costs were accounted for in full in the year departure was agreed. Where the British Council has agreed early retirements, the additional costs were met by the British Council and not by the CSCS. Ill-health retirement costs were met by the pension scheme and are not included in the table.

Redundancy and other departure costs for overseas appointed staff have been paid in accordance with the relevant Terms and Contract of Service and applicable local regulations.

**(d) Chief Executive remuneration**

The current Chief Executive's full time equivalent emoluments for the financial year 2024–25 was £336,440 (2023–24: £325,750) comprising salary of £260,867 (2023–24: £250,000), plus pension contributions of 75,573 (2023–24: £75,750).

**(e) The number of staff that received total employee benefits falling within the following ranges:**

	2024–25	2023–24
	No. of staff	No. of staff
£60,000 - £70,000	256	234
£70,001 - £80,000	184	154
£80,001 - £90,000	86	87
£90,001 - £100,000	68	64
£100,001 - £110,000	40	38
£110,001 - £120,000	27	31
£120,001 - £130,000	36	34
£130,001 - £140,000	6	9
£140,001 - £150,000	7	10
£150,001 - £160,000	6	7
£160,001 - £170,000	4	5
£170,001 - £180,000	5	4
£180,001 - £190,000	1	3
£190,001 - £200,000	–	1
£200,001 - £210,000	1	–
£210,001 - £220,000	–	2
£220,001 - £230,000	1	–
£230,001 - £240,000	–	–
£240,001 - £250,000	–	1
£250,001 - £260,000	–	–
£260,001 - £270,000	1	–
<b>Total number of employees</b>	<b>729</b>	<b>684</b>

**(f) Off-payroll engagements**

**Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater**

	No. of engagements
<b>Number (No.) of existing engagements as of 31 March 2025</b>	<b>23</b>
<b>Of which, no. that existed:</b>	
Less than one year at time of reporting	7
Between one and two years at time of reporting	7
Between two and three years at time of reporting	5
Between three and four years at time of reporting	1
Four or more years at time of reporting	3

## All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater

	No. of engagements
<b>Number (No.) of engagement during the financial year</b>	<b>53</b>
<b>Of which:</b>	
Subject to off-payroll legislation and determined as in-scope of IR35	35
Subject to off-payroll legislation and determined as out-of-scope of IR35	18

A change in the terms or conditions of an existing engagement results in the issue of a new contract which triggers and new IR35 assessment. Therefore, the existing engagements were not reassessed for assurance purposes during the year.

## For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

	No. of engagements
No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	–
No. of individuals that have been deemed 'board members, and/or senior officials with significant financial responsibility', during the financial year. This figure includes both off-payroll and on-payroll engagements	45

### (g) Board of Trustees expenses

Travel expenses reimbursed to 12 members (2023–24: 13 members) of the Board of Trustees amounted to £17,805 (2024–25: £26,417).

No Trustees or any persons connected with them received any remuneration for their services during the year ended 31 March 2025 (2023–24: nil).

### (h) PCSPS and CSOPS Contributions

The Principal Civil Service Pension Scheme (PCSPPS) and the Civil Service and Other Pension Scheme (CSOPS) – known as alpha – are 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 PCSPPS as at 31 March 2020. Details can be found at: <https://www.gov.uk/government/publications/2020-valuation-civil-service-pension-scheme>

For 2024–25, employers' contributions of £16,328,955 were payable to the PCSPPS (2023–24: £14,464,696) at one of four rates in the range 26.6 per cent per cent to 30.3 per cent per cent of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024–25 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. Employers' contributions of £109,297 (2023–24: £114,473) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8.0 per cent to 14.75 per cent of pensionable earning. Employers also match employee contributions up to 3.0 per cent of pensionable earnings. In addition, employer contributions of £3,376, 0.5 per cent (2024–25: £3,874: 0.5 per cent) of pensionable pay, were payable to the PCSPPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the Balance Sheet date were £9,578 (2023–24: £8,527). Contributions prepaid at that date were nil (2023–24: nil). Employer contributions of £162 were also payable to the National Employment Savings Scheme (NEST) for employees auto-enrolled in that scheme (2023–24: £155).

### (i) Defined benefit scheme

The British Council operates a defined benefit scheme for UK-appointed employees formerly employed by the Central Bureau for Educational Visits and Exchanges Scheme (Scheme). Section 28 (Employee Benefits) of the Financial Reporting Standard 102 has been adopted.

The Scheme is closed to new entrants and active members of the Scheme ceased to accrue benefits in respect of pensionable service from 31 January 2013. A full actuarial valuation was carried out at 1 April 2024 and updated to 31 March 2025 by a qualified actuary, independent of the Scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

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

	2025	2024
	£'000	£'000
Fair value of scheme assets	27,567	30,663
Present value of scheme liabilities	19,236	20,196
Surplus/(deficit) in scheme	8,331	10,467
Unrecognised surplus/(deficit)	8,331	10,467
<b>Asset/(liability) to be recognised</b>	<b>–</b>	<b>–</b>

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

	2025	2024
	£'000	£'000
Scheme liabilities at 1 April	20,196	20,203
Interest cost	949	944
Inclusion of insured annuities	–	–
Actuarial losses/(gains)	(632)	126
Benefits paid and death in service insurance premiums	(1,277)	(1,077)
Past service cost	–	–
<b>Scheme liabilities at 31 March</b>	<b>19,236</b>	<b>20,196</b>

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

	2025	2024
	£'000	£'000
Fair value of scheme assets at 1 April	30,663	31,254
Interest income	1,415	1,470
Inclusion of insured annuities	–	–
Administration fee paid from scheme assets	(432)	(183)
Actuarial gains/(losses)	(973)	(801)
Benefits paid and death in service insurance premiums	(1,277)	(1,077)
Settlements	(1,829)	–
<b>Fair value of scheme assets at 31 March</b>	<b>27,567</b>	<b>30,663</b>

The actual return on the scheme assets over the year ending 31 March 2025 was a loss of £0.44 million (2023–24: £0.67 million).

### Total (income)/expense recognised in the Consolidated Statement of Financial Activities

	2025	2024
	£'000	£'000
Interest cost	949	944
Interest income	(949)	(944)
<b>Total (income)/expense recognised in the Consolidated Statement of Financial Activities</b>	<b>–</b>	<b>–</b>

## Statement of total recognised gains and losses

	2025	2024
	£'000	£'000
Actual return less expected return on pension scheme assets gain/(loss)	973	801
Experience gains and losses arising on the scheme liabilities gain/(loss)	(632)	126
Changes in the assumptions underlying the defined benefit obligation gain/(loss)	(2,602)	(1,110)
<b>Total actuarial gain/(loss) before restriction due to some of the surplus not being recognisable</b>	<b>(2,261)</b>	<b>(183)</b>
Effect of limit on amount of surplus recognised due to some of the surplus not being recognisable gain/(loss)	2,261	183
<b>Total amount recognised in the statement of total recognised gains and losses</b>	<b>–</b>	<b>–</b>

## Assets

	2025	2024
	£'000	£'000
Equity	–	8,254
Bonds	4,630	4,620
Property	–	3,817
Cash	3,985	99
Annuities	18,952	13,873
<b>Total assets</b>	<b>27,567</b>	<b>30,663</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

	2025	2024
	% per annum	% per annum
Inflation	3.60%	3.60%
Salary increases	n/a	n/a
Rate of discount	5.70%	4.85%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.80%	2.70%
Allowance for commutation of pension for cash at retirement	25%	25%

The mortality assumptions adopted at the end of the year have implied the following life expectancies:

	2025	2024
	No. of years	No. of years
Male retiring today at age 65	21.5	21.6
Female retiring today at age 65	23.9	23.8
Male retiring in 20 years at age 65	22.8	22.9
Female retiring in 20 years at age 65	25.4	25.2

## 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 dates. 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 year

	2025	2024
	£'000	£'000
Fair value of scheme assets	27,567	30,663
Present value of scheme liabilities	19,236	20,196
Surplus/(deficit) in scheme	8,331	10,467
Experience adjustment on scheme assets	(973)	(801)
Experience adjustment on scheme liabilities	(632)	(126)

The British Council does not expect to contribute to the Central Bureau for Educational Visits and Exchanges Pension and Life Assurance Scheme in the next accounting year.

The British Council does not have an unconditional right to a refund of the surplus on the gradual settlement of the plan liabilities over time until all members have left the plan as the material uncertainty referenced in note 27 means that the British Council's ability to support the Scheme over the longer term is dependent upon certain future events not wholly within its control. In considering whether the British Council can recognise a surplus following the full settlement of the plan liabilities in a single event through winding up the scheme, no surplus is expected to remain. This is because the British Council's estimate of the Scheme liabilities will increase, as a result of member benefits being increased to the Inland Revenue's limits as specified in the rules of the Trust Deed. To this effect, no surplus has been recognised in the Consolidated and British Council Balance Sheets.

## Trustees

Apex Group Ltd as independent Trustee to the Scheme, was paid fees amounting to £47,300 excluding VAT (2023–24: £33,946 excluding VAT) during the year. Two other Trustees were paid fees totalling £7,023 excluding VAT (2023–24: 2 trustee paid £1,612) during the year. No travel expenses were reimbursed during the year (2023–24 nil).

## (j) Union officials

### Total number of employees who were union officials

	2024–25	2023–24	2024–25	2023–24
	Number of employees who were relevant union officials during the relevant period		Full-time equivalent employee number	
Employees who were union officials	10	10	10	10

### The number of employees that spent the following on facility time

	2024–25	2023–24
	No. of staff	No. of staff
1-50%	10	9
51%-99%	–	–
1	–	1

## Percentage of the pay bill spent on facility time

	2024–25	2023–24
	£'000	£'000
Total cost of facility time	91	152
Total pay bill	86,846	80,667
Percentage of the total pay bill spent on facility time	0.10%	0.19%

## Paid trade union activities

	2024–25	2023–24
	%	%
Time spent on paid trade union activities as a percentage of total paid facility time hours	18	3

## 8 Taxation

### (a) Charge/(credit) for the year

	2024–25	2023–24
	£'000	£'000
<b>Tax charge for the current year</b>		
UK corporation tax	–	–
Overseas tax	17,605	16,619
<b>Total current year tax</b>	<b>17,605</b>	<b>16,619</b>
<b>Tax under provided in previous years</b>		
UK corporation tax	–	–
Overseas tax	(905)	641
<b>Total prior year tax</b>	<b>(905)</b>	<b>641</b>
<b>Total current tax</b>	<b>16,700</b>	<b>17,260</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(447)	(1,136)
<b>Total tax charge</b>	<b>16,253</b>	<b>16,124</b>

### (b) Factors affecting the current tax charge

	2024–25	*Restated 2023–24
	£'000	£'000
<b>Net expenditure after tax</b>	<b>(40,135)</b>	<b>(81,573)</b>
Total tax charge	16,253	16,124
<b>Net expenditure before taxation</b>	<b>(23,882)</b>	<b>(65,449)</b>
Tax charge at standard UK corporation tax rate of 25% (2023–24: 25%)	(5,971)	(16,362)
Losses not relieviable against current income	14,689	22,395
Expenses not deductible for tax purposes	4,337	3,838
Timing differences and losses we expect to use in the future	(447)	(1,135)
Irrecoverable withholding tax on repatriated funds	1,498	847
Tax (over)/under provided in previous years	(905)	641
Net expenditure not subject to tax (primarily due to charitable exemptions)	2,769	5,774
Higher taxes on overseas taxable surpluses	282	126
<b>Total tax charge for the year</b>	<b>16,253</b>	<b>16,124</b>

\*See note 28 prior period adjustments

## (c) Factors that may affect future tax charges

### Deferred Tax

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, at the year end. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### Movement in deferred tax assets and liabilities

	2024–25	2023–24
	£'000	£'000
Tax losses <sup>17</sup>	(1,013)	(1,015)
Other timing differences	566	(121)
<b>Total charge/(credit) to the consolidated statement of financial activities</b>	<b>(447)</b>	<b>(1,136)</b>

### Deferred tax (assets) and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

	Tax losses	Other timing differences	Total
	£'000	£'000	£'000
<b>At 1 April 2024</b>	<b>(1,015)</b>	<b>(121)</b>	<b>(1,136)</b>
Total (credit)/charge to the consolidated statement of financial activities	(1,013)	566	(447)
<b>At 31 March 2025</b>	<b>(2,028)</b>	<b>445</b>	<b>(1,583)</b>

In the current year, the Group has expanded its disclosure of deferred tax assets and liabilities to include additional overseas subsidiaries. These balances have always been consolidated within the Group financial statements, but were not previously presented separately in the deferred tax note.

The inclusion of these subsidiaries in the disclosure reflects the increased materiality and relevance of these balances to users of the financial statements. This change in disclosure has no impact on the Consolidated Balance Sheet or Consolidated Statement of Financial Activities previously reported.

- <sup>17</sup> Where deferred tax assets have been recognised in respect of losses, the evidence considered includes the reason for the loss, potential planning strategies to utilise the loss, and the availability of future taxable profits against which the losses can be utilised. There is no expiry date for these differences.

The group has unrecognised deferred tax assets totalling £2.46 million (2023–24: £1.97 million) represented by tax losses available to be offset against future taxable surpluses in various territories which may not be used elsewhere in the group and where recovery is uncertain.

## 9 Intangible fixed assets

	2025	2024
	£'000	£'000
<b>Modified cost or valuation</b>		
At 1 April	49,822	39,524
Exchange rate differences	(312)	(13)
Additions	18,048	25,678
Additions - business combination <sup>18</sup>	4,552	–
Transfers of completed assets from assets under construction	(9,099)	(15,657)
Disposals	(60)	(335)
Impairment	–	(7)
Revaluations	(119)	632
<b>At 31 March</b>	<b>62,832</b>	<b>49,822</b>
<b>Amortisation</b>		
At 1 April	(19,420)	(15,806)
Exchange rate differences	4	25
Charge for the year	(6,957)	(5,079)
Disposals	60	335
Impairment	–	3
Revaluations/backlog amortisation	1,057	1,102
<b>At 31 March</b>	<b>(25,256)</b>	<b>(19,420)</b>
<b>Net book value</b>		
<b>At 31 March</b>	<b>37,576</b>	<b>30,402</b>
At 1 April	30,402	23,718

### Included in the above are the following amounts for assets under construction (AUC)

	2025	2024
	£'000	£'000
AUC cost at 1 April	883	6,513
Transfers of completed assets to additions	(9,099)	(15,657)
Additions to AUC	8,809	10,027
<b>Total AUC cost at 31 March</b>	<b>593</b>	<b>883</b>

Intangible fixed assets (software licences) are included at their value to the business by reference to current costs and are amortised at rates calculated to write off the assets on a straight-line basis over the period of the licence, or the period over which the British Council anticipates using the asset if shorter. These revaluations take place annually in line with market value. The effective date of the revaluation is 31 March 2025.

Amortisation of intangible fixed assets has been included within the Expenditure on charitable activities in note 5(a).

Historical cost records are not available, so the historic cost less depreciation is not stated.

- <sup>18</sup> This addition relates to intangible assets recognised as part of the acquisition of BC EnglishScore Limited. See note 12 for more details.

## 10 Tangible fixed assets

	Freehold land and property	Leasehold land and property	Furniture and equipment	Information technology	Vehicles and plant	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Modified cost or valuation</b>						
At 1 April 2024	96,946	81,399	8,863	7,369	8,772	203,349
Exchange rate differences	(2,643)	419	(100)	(559)	(123)	(3,006)
Additions	1,921	8,142	332	3,653	609	14,657
Transfers of completed assets from AUC	(1,983)	(4,728)	(110)	(228)	(48)	(7,097)
Disposals	(31)	(2,745)	(338)	(501)	(429)	(4,044)
Impairment	–	(224)	–	–	–	(224)
Revaluations	17,975	10,514	–	–	–	28,489
<b>At 31 March 2025</b>	<b>112,185</b>	<b>92,777</b>	<b>8,647</b>	<b>9,734</b>	<b>8,781</b>	<b>232,124</b>
<b>Depreciation</b>						
At 1 April 2024	(5,760)	(29,722)	(7,552)	(4,683)	(7,715)	(55,432)
Exchange rate differences	(642)	96	91	(9)	110	(354)
Charge for the year	(1,948)	(3,641)	(480)	(527)	(384)	(6,980)
Disposals	24	2,226	293	492	429	3,464
Impairment	–	14	–	–	–	14
Revaluations	2,848	1,762	–	–	–	4,610
<b>At 31 March 2025</b>	<b>(5,478)</b>	<b>(29,265)</b>	<b>(7,648)</b>	<b>(4,727)</b>	<b>(7,560)</b>	<b>(54,678)</b>
<b>Net book value</b>						
<b>At 31 March 2025</b>	<b>106,707</b>	<b>63,512</b>	<b>999</b>	<b>5,007</b>	<b>1,221</b>	<b>177,446</b>
At 1 April 2024	91,186	51,677	1,311	2,686	1,057	147,917

Included in the above are the following amounts for assets under construction

	Freehold land and property	Leasehold land and property	Furniture and equipment	Information technology	Vehicles and plant	Total
	£'000	£'000	£'000	£'000	£'000	£'000
AUC cost at 1 April 2024	–	4,542	–	1,555	6	6,103
Exchange rate differences	–	101	–	(562)	2	(459)
Transfers of completed assets to additions	–	(6,711)	(110)	(228)	(48)	(7,097)
Additions to AUC	–	3,859	110	3,402	177	7,548
<b>Total AUC cost at 31 March 2025</b>	<b>–</b>	<b>1,791</b>	<b>–</b>	<b>4,167</b>	<b>137</b>	<b>6,095</b>

Included in tangible fixed assets are assets costing £45.2 million (2023–24: £43.3 million) which have been fully depreciated. These assets are still in use and provide value to the business.

All tangible fixed assets acquired are used to support the British Council's charitable activities.

Approximately one fifth of the portfolio has a full valuation involving a physical inspection each year so that the whole portfolio has a full physical valuation on a rolling five-year basis. In addition, a sample of the properties not physically inspected in the year have a desk valuation. This includes the highest value properties and a sample of others sufficient to ensure that the value of the portfolio is materially correct. This resulted in an impairment charge to the Consolidated Statement of Financial Activities of £0.21 million (2023–24: £0.24 million). The effective date of revaluation is 31 March 2025.

Non-specialised properties are valued on the basis of existing use value, except where restrictions on the British Council's rights to use the property mean that this is not appropriate. In this case, open market value has been used, taking into account these restrictions. Specialised properties are valued on the basis of depreciated replacement cost.

Land and buildings held in sterling but valued in foreign currency are retranslated into sterling at the Balance Sheet date where the movement in the exchange rate is judged to be material. The exchange rate difference is accounted for as a revaluation movement and taken to reserves and the 'Other recognised gains/(losses)' section of the Consolidated Statement of Financial Activities, except any part of a downward movement that exceeds previous upward revaluations.

Historic cost records are not available so the historic cost less depreciation is not stated.

The British Council undertook a full review of title to all properties in the financial year 2020–21 as part of the revaluation exercise. Thirteen properties with a net book value of approximately £69.7 million at 31 March 2025 have restrictions on the British Council's rights to the property which restrict the sale of the property and/or the British Council's right to the proceeds of any sale, or are in locations where security concerns mean that the British Council is unlikely to sell the property. These restrictions, any of which might impair the British Council's ability to realise the stated Balance Sheet value on sale include:

- the title to the property being held by other British government agencies
- the British Council requiring the permission of other parties to continue to use or to sell the property
- restrictions on the purpose for which the property is used
- the property being jointly owned, or the British Council not being entitled to 100 per cent of sale proceeds
- the property being on land owned by the FCDO.

There is one property where the British Council is entitled to use the whole property, but would only be entitled to a portion of the proceeds of sale if the building were sold. The existing use value represents use of the whole property and exceeds the amount the British Council would be entitled to on sale by estimated £16 million (2023–24: £9.2 million).

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 current book value is £0.8 million (2023–24: £0.8 million). This is the only property where treatment deviates from the accounting policy.

The British Council sublets properties that are temporarily surplus to requirements. These are not classed as investment properties. The British Council also owns properties with a current net book value of £0.01 (2023–24: £0.01 million), which are occupied by subsidiaries.

	Freehold land and property	Leasehold land and property	Furniture and equipment	Information technology	Vehicles and plant	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Modified cost or valuation</b>						
At 1 April 2023	81,295	105,562	8,577	8,457	9,330	213,221
Exchange rate differences	16,021	(23,709)	400	(825)	(255)	(8,368)
Additions	1,685	4,835	990	988	313	8,811
Transfers of completed assets from AUC	0	(1,847)	(652)	(205)	(152)	(2,856)
Disposals	(107)	(3,570)	(452)	(1,046)	(464)	(5,639)
Impairment	(374)	0	0	0	0	(374)
Revaluations	(1,574)	128	0	0	0	(1,446)
<b>At 31 March 2024</b>	<b>96,946</b>	<b>81,399</b>	<b>8,863</b>	<b>7,369</b>	<b>8,772</b>	<b>203,349</b>
<b>Depreciation</b>						
At 1 April 2023	(4,168)	(32,928)	(7,615)	(5,076)	(8,059)	(57,846)
Exchange rate differences	(2,174)	2,467	175	109	266	843
Charge for the year	(1,904)	(3,566)	(558)	(725)	(374)	(7,127)
Disposals	107	3,378	446	1,009	452	5,392
Impairment	137	0	0	0	0	137
Revaluations	2,242	927	0	0	0	3,169
<b>At 31 March 2024</b>	<b>(5,760)</b>	<b>(29,722)</b>	<b>(7,552)</b>	<b>(4,683)</b>	<b>(7,715)</b>	<b>(55,432)</b>
<b>Net book value</b>						
<b>At 31 March 2024</b>	<b>91,186</b>	<b>51,677</b>	<b>1,311</b>	<b>2,686</b>	<b>1,057</b>	<b>147,917</b>
At 1 April 2023	77,127	72,634	962	3,381	1,271	155,375

### Included in the above are the following amounts for assets under construction

	Freehold land and property	Leasehold land and property	Furniture and equipment	Information technology	Vehicles and plant	Total
	£'000	£'000	£'000	£'000	£'000	£'000
AUC cost at 1 April 2023	–	1,907	–	1,645	126	3,678
Exchange rate differences	–	(68)	642	(677)	1	(102)
Transfers of completed assets to additions	–	(1,847)	(652)	(205)	(152)	(2,856)
Additions to AUC	–	4,550	10	792	31	5,383
<b>Total AUC cost at 31 March 2024</b>	<b>–</b>	<b>4,542</b>	<b>–</b>	<b>1,555</b>	<b>6</b>	<b>6,103</b>

## 11 Heritage assets

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
<b>Modified cost or valuation</b>					
At 1 April – cost	3,513	3,513	3,513	3,513	3,513
At 1 April – valuation	192,168	184,922	178,641	149,631	140,453
<b>Total value at 1 April</b>	<b>195,681</b>	<b>188,435</b>	<b>182,154</b>	<b>153,144</b>	<b>143,966</b>
Additions – purchased	–	–	–	–	–
Additions – donated	–	–	–	–	–
Increase in valuation	3,683	7,246	6,282	29,010	9,178
<b>At 31 March</b>	<b>199,364</b>	<b>195,681</b>	<b>188,436</b>	<b>182,154</b>	<b>153,144</b>
Unrestricted	86,364	83,735	81,157	78,506	61,930
Restricted	113,000	111,946	107,279	103,648	91,214
<b>Total heritage assets</b>	<b>199,364</b>	<b>195,681</b>	<b>188,436</b>	<b>182,154</b>	<b>153,144</b>

The British Council maintains a permanent collection of works of art which started in 1938 and at present has over 8,800 works. 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.

The following were reviewed and valued externally at 31 March 2025 by Coram James - an independent arts and antique valuation firm and are included in the valuations above:

- The top 100 works which include paintings, works on paper, sculpture and time based media.

Factors considered by the external valuer in their valuations include but are not limited to; physical inspection of works, provenance and available transactions of similar or comparable works.

The following were reviewed and valued internally at 31 March 2025 by the Head of Collection and Collection Manager and are included at the valuations above:

- A sample of works across the following classifications: paintings, sculpture, time based media and works on paper.

Factors considered by the Head of Collection and Collection Manager in the valuations include but are not limited to; physical inspection of works and available transactions of similar or comparable works on the open market.

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.

Artworks are classified as 'restricted' where there are restrictions on their sale, for example conditions imposed by the donor.

Artworks are classified as 'unrestricted' where there are no restrictions on their sale.

The increase in valuation figure is a net amount and includes disposals of nil (2023–24: £15k).

## 12 Investments

### (a) Total investments

	Group		British Council	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Quoted investments	148	137	148	137
Investment in subsidiaries	–	–	427	427
<b>Total investments</b>	<b>148</b>	<b>137</b>	<b>575</b>	<b>564</b>

### (b) Investments in joint ventures

The British Council is, directly or through a wholly owned subsidiary, a member of two joint ventures entities: IELTS Inc. and IELTS UK Services Ltd. These joint ventures are accounted for using the equity method of accounting.

	Group		British Council	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Opening balance	672	1,117	672	1,117
Investment during the year	–	480	–	–
Share of profit/(loss)	(397)	(910)	(397)	(430)
Exchange rate differences	(12)	(15)	(12)	(15)
<b>Total investment in joint ventures</b>	<b>263</b>	<b>672</b>	<b>263</b>	<b>672</b>

### (1) Investment in IELTS Inc.

	Group		British Council	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Opening balance	672	1,117	672	1,117
Share of profit/(loss)	(397)	(430)	(397)	(430)
Exchange rate differences	(12)	(15)	(12)	(15)
<b>Total investment in joint venture</b>	<b>263</b>	<b>672</b>	<b>263</b>	<b>672</b>

IELTS Inc. is a not-for-profit organisation registered in Delaware in the United States with the charitable and educational purposes of supporting and improving the teaching of English. The British Council has a long-term interest in the joint venture, over which it exercises joint control with two other equal members, Oxford and Cambridge International Assessment Services Limited and IDP Education Australia Limited.

**(2) Investment in IELTS UK Services Ltd**

	Group		British Council	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
<b>Total investment in joint venture</b>	-	-	-	-

IELTS UK Services Ltd is a private limited company incorporated in England and Wales. The company was established to support a more collaborative model of operation between the IELTS partners. The British Council shares ownership with the University of Cambridge Local Examinations Syndicate and IELTS Australia Pty Ltd and holds one third of the shares. IELTS UK Services Ltd is funded by a service charge levied equally on each partner. Amounts previously invested has been impaired and no further investment was made during the financial year.

**(c) Subsidiary undertakings**

Registered name	Country of incorporation	Principal activity	Share class	Year end date
BC Trading International Ltd	England and Wales	Raising funds through trading activities	Ordinary/100%	31 March
BC Holdings (United Kingdom) Limited	England and Wales	Holding company	Ordinary/100%	31 March
BC EnglishScore Limited	England and Wales	Carrying out charitable objectives of the British Council	Ordinary/100%	31 December
BC EnglishScore Tutors Limited	England and Wales	Carrying out charitable objectives of the British Council	Ordinary/100%	31 December
BC Services Bangladesh Limited	Bangladesh	Carrying out charitable objectives of the British Council	Ordinary/100%	31 March
British Council Association in Brazil (registered name: Associação Conselho Britânico )	Brazil	Carrying out charitable objectives of the British Council	–	31 December
BC Education Consulting (Beijing) Co Ltd (registered name: BC教育咨询(北京)有限公司)	China	Carrying out charitable objectives of the British Council	Ordinary/100%	31 December
British Council English Training (Jiangsu) Co. Ltd. (registered name: 英协英语培训 (江苏) 有限公司)	China	Teaching	Ordinary/100%	31 December
Ying He Advertising (Beijing) Co. Ltd (registered name: 英合广告 (北京) 有限公司)	China	Raising funds through trading activities	Ordinary/100%	31 December
BC EnglishScore Information Technology (Beijing) Co.,Ltd	China	Carrying out charitable objectives of the British Council	Ordinary/100%	31 December
BC Education Services (Egypt) LLC (registered name: (تتبجيحيا) زيسيفريسي نشيكيويديا يس يب)	Egypt	Carrying out charitable objectives of the British Council	Ordinary/100%	31 March
British Council in France (Société par actions simplifiée unipersonnelle)	France	Carrying out charitable objectives of the British Council	Ordinary/100%	31 March
BC English Services Trans-National Limited	Hong Kong	Established to carry out the charitable objectives of the British Council but not currently operational	Ordinary/100%	31 March
BC EnglishScore (HK) Limited	Hong Kong	Carring out charitable objectives of the British Council but not currently operational	Ordinary/100%	31 December
BC Management Services Private Limited	India	Provision of support services to the British Council	Ordinary/100%	31 March
BC Education India Private Limited	India	Carrying out charitable objectives of the British Council	Ordinary/100%	31 March
British Council Indonesian Foundation (registered name: Yayasan Dewan Inggris Indonesia)	Indonesia	Carrying out charitable objectives of the British Council	–	31 March
British Council (Kazakhstan) LLP	Kazakhstan	Carrying out charitable objectives of the British Council	–	31 December
British Council Associated Civil Association (registered name: British Council Asociados)	Mexico	Raising funds through trading activities	–	31 December
British Council Civil Association (registered name: British Council Asociación Civil)	Mexico	Carrying out charitable objectives of the British Council	–	31 December
British Council (Myanmar) Ltd	Myanmar	Carrying out charitable objectives of the British Council	Ordinary/100%	31 March
British Council Services Nepal Private Limited	Nepal	Carrying out charitable objectives of the British Council	Ordinary/100%	Mid of July
British Council Programmes (Nigeria) Ltd/GTE	Nigeria	Carrying out charitable objectives of the British Council	–	31 March
British Council Trading Services (Nigeria) Limited	Nigeria	Carrying out charitable objectives of the British Council	Ordinary/100%	31 March
British Council Services (Philippines) incorporated	Philippines	Carrying out charitable objectives of the British Council	Ordinary/100%	31 March
British Council Foundation in Poland (registered name: Fundacja British Council)	Poland	Carrying out charitable objectives of the British Council	–	31 March

**(c) Subsidiary undertakings (continued)**

Registered name	Country of incorporation	Principal activity	Share class	Year end date
Smart Education, Culture and Language Services Limited Liability Company (registered name: ООО "Умные культурно-образовательные и языковые услуги")	Russia	Carrying out charitable objectives of the British Council	Ordinary/100%	31 December
British Council (Singapore) Limited	Singapore	Carrying out charitable objectives of the British Council	–	31 March
British Council (Taiwan) Limited	Taiwan	Teaching and Exams	Ordinary/100%	31 March
BC Holdings (Thailand) Limited	Thailand	Holding company	Ordinary/100%	31 March
BC Language Teaching (Thailand) Limited	Thailand	Carrying out charitable objectives of the British Council	Ordinary/74%	31 March
BC Operations (Thailand) Limited	Thailand	Carrying out charitable objectives of the British Council	Ordinary/74%	31 March
BC Foundation (registered name: มูลนิธิบีซี)	Thailand	Carrying out charitable objectives of the British Council	–	31 March
British Council Tunisia	Tunisia	Carrying out charitable objectives of the British Council	–	31 March
British Council Education Services Company (registered name: British Council Eğitim Hizmetleri Limited Şirketi)	Turkey	Carrying out charitable objectives of the British Council	Ordinary/100%	31 March
Private Extra-Curricular Educational Institution 'British Council (Ukraine)'	Ukraine	Carrying out charitable objectives of the British Council	Ordinary/100%	31 December
Limited Liability Company 'British Council (Ukraine)' (registered name: Товариство з обмеженою відповідальністю «Британська Рада (Україна)»)	Ukraine	Carrying out charitable objectives of the British Council	Ordinary/100%	31 December
Friends of British Council	USA	Fundraising and carrying out charitable objectives of the British Council	–	31 March
British Council (Viet Nam) LLC (registered name: Công ty TNHH British Council (Việt Nam))	Vietnam	Teaching and Exams	Ordinary/100%	31 March

BC EnglishScore Limited is a private limited company incorporated in England and Wales. The company was established to develop, launch and operate software to help people develop their English language skills. The British Council's wholly owned subsidiary BC Holdings (United Kingdom) Limited held 39 per cent of the shares in BC EnglishScore Limited until 28 January 2025. The other shareholders were BIC Finance Nominee Limited (Blenheim Chalcot) with 58 per cent of the shares and UK FF Nominees Limited with 3 per cent of the shares. On 28 January 2025, BC Holdings (United Kingdom) Limited acquired all issued shares of BC EnglishScore Limited from the other shareholders. At 31 March 2025, BC Holdings (United Kingdom) Limited owned 100 per cent of BC EnglishScore Limited shares and that of its subsidiaries: BC EnglishScore Tutors Limited, BC EnglishScore Information Technology (Beijing) Co.,Ltd and BC EnglishScore (HK) Limited. All four entities are now consolidated as part of the British Council group. The cost of the acquisition is £6.42 million. This comprise of cash payment of £4.09 million for the shares held by the other parties and the initial investment in the joint venture valued at £2.33 million. At the acquisition date, the net liabilities of BC EnglishScore Limited were £1.1 million. An intangible asset valued at £4.6 million relating to the software has been recorded separately. This will be amortised over a period of five years. No goodwill has been recorded for this acquisition.

Friends of British Council is consolidated as a subsidiary because the Group has the power to exercise dominant influence over the undertaking by virtue of provisions contained in the undertaking's by-laws.

BC Holdings (Thailand) Limited's share capital comprises 48.8 per cent of ordinary shares owned by BC Holdings (United Kingdom) Limited, and 51.2 per cent preference shares owned by third parties. It is consolidated as a subsidiary undertaking because the Group has the power to exercise dominant influence by virtue of provisions contained in the undertaking's articles.

BC Operations (Thailand) Limited's share capital comprises of ordinary shares, 49 per cent of which is owned by BC Holdings (United Kingdom) Limited and 51 per cent of which is owned by BC Holdings (Thailand) Limited. The Group therefore has an effective interest of 73.9 per cent in BC Operations (Thailand) Limited's share capital.

BC Language Teaching (Thailand) Limited's share capital comprises of ordinary shares, 100 per cent owned by BC Operations (Thailand) Limited. The Group therefore has an effective interest in 73.9 per cent of BC Language Teaching (Thailand) Limited's share capital.

**(d) Financial results of subsidiaries**

Entity name	BC Holdings (United Kingdom) Limited	BC Education Consulting (Beijing) Co. Ltd	BC Services Bangladesh Limited	British Council Services Nepal Private Limited	British Council (Vietnam) LLC	Other subsidiaries
Registration number	07108783	911101050953537000	C-178051/2022	212000/075/076	0107581903	
	£	£	£	£	£	£
<b>Investment at 1 April 2023</b>	<b>1</b>	<b>3,360,000</b>	<b>37,678</b>	<b>34,226</b>	<b>53,000</b>	<b>8,246,245</b>
Additions	–	–	–	–	–	1,267
<b>Investment at 1 April 2024</b>	<b>1</b>	<b>3,360,000</b>	<b>37,678</b>	<b>34,226</b>	<b>53,000</b>	<b>8,247,512</b>
Additions	–	–	–	–	–	6,431,610
<b>Investment at 31 March 2025</b>	<b>1</b>	<b>3,360,000</b>	<b>37,678</b>	<b>34,226</b>	<b>53,000</b>	<b>14,679,122</b>

Entity name	BC Holdings (United Kingdom) Limited	BC Education Consulting (Beijing) Co. Ltd	BC Services Bangladesh Limited	British Council Services Nepal Private Limited	British Council (Vietnam) LLC	Other subsidiaries
	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 31 March 2025</b>						
Assets	24,813	62,444	31,915	15,852	16,054	110,181
Liabilities	(66)	(18,821)	(29,707)	(13,413)	(17,229)	(121,256)
<b>Reserves</b>	<b>24,747</b>	<b>43,623</b>	<b>2,208</b>	<b>2,439</b>	<b>(1,175)</b>	<b>(11,075)</b>
<b>At 31 March 2024</b>						
Assets	15,597	58,537	38,941	12,673	17,335	91,638
Liabilities	(24)	(16,753)	(35,969)	(10,441)	(17,501)	(98,405)
<b>Reserves</b>	<b>15,573</b>	<b>41,784</b>	<b>2,972</b>	<b>2,232</b>	<b>(166)</b>	<b>(6,767)</b>
<b>2024–25</b>						
Income	30,403	104,547	23,032	5,741	27,325	123,585
Expenditure	(21,229)	(101,318)	(22,741)	(5,427)	(28,339)	(127,162)
<b>Net income/(expenditure)</b>	<b>9,174</b>	<b>3,229</b>	<b>291</b>	<b>314</b>	<b>(1,014)</b>	<b>(3,577)</b>
Donation of profits to the British Council	8	–	–	–	–	360
<b>2023–24</b>						
Income	16,294	101,750	24,163	6,442	26,059	112,796
Expenditure	(16,505)	(84,466)	(22,337)	(5,851)	(25,883)	(126,271)
<b>Net income/(expenditure)</b>	<b>(211)</b>	<b>17,284</b>	<b>1,826</b>	<b>591</b>	<b>176</b>	<b>(13,475)</b>
Donation of profits to the British Council	8	–	–	–	–	50

### (e) Loans to subsidiaries

The following table sets out the interest charged by the British Council on a loan made to a subsidiary and the loan balances at the year end.

Subsidiary	Interest charged		Loan balance	
	2024–25	2023–24	2024–25	2023–24
	£	£	£	£
British Council in France	–	–	155,937	537,914
<b>Total loans from the British Council to subsidiaries</b>	<b>–</b>	<b>–</b>	<b>155,937</b>	<b>537,914</b>

The loan to a subsidiary held on the British Council Balance Sheet include the above loan balance.

The following table sets out the interest charged by BC Holdings (United Kingdom) Limited on loans made to subsidiaries and the loan balances at the year end.

Subsidiary	Interest charged		Loan balance	
	2024–25	2023–24	2024–25	2023–24
	£	£	£	£
BC EnglishScore Limited	2,035	–	206,107	–
BC Operations (Thailand) Limited	8,985	43,954	–	250,000
British Council Trading Services (Nigeria) Limited	–	8,007	–	75,294
<b>Total loans between subsidiaries</b>	<b>11,020</b>	<b>51,961</b>	<b>206,107</b>	<b>325,294</b>

Interest is charged on all of the above loans at arm's length rates.

## 13 Debtors (amounts falling due within one year)

### Analysis by type

	Group		British Council	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade debtors	42,533	50,232	29,376	37,898
Balances resulting from activity under contracts and agreements	7,298	25,079	7,112	25,058
Other debtors	8,249	8,716	4,711	4,869
VAT debtor	1,566	1,971	665	1,475
Prepayments and accrued income	75,467	59,508	61,350	43,994
Amounts due from subsidiary undertakings	–	–	110,793	100,249
<b>Total debtors</b>	<b>135,113</b>	<b>145,506</b>	<b>214,007</b>	<b>213,543</b>

## 14 Cash at bank and short-term investments

### (a) Cash at bank

	Group		British Council	
	2025	2024	2025	2024
<b>Cash and cash equivalents held in:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Sterling	67,815	87,050	50,467	75,354
Euros	9,321	49,653	8,611	48,578
US dollars	8,334	9,145	8,153	8,890
Other currencies	173,534	165,705	66,201	58,093
<b>Total cash at bank</b>	<b>259,004</b>	<b>311,553</b>	<b>133,432</b>	<b>190,915</b>

The total cash at bank balance includes cash held overseas of £49.8 million (2022–23: £51.7 million) that is considered to be trapped due to foreign exchange controls. 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. A further £57.3 million (2023–24: £46.8 million) of the total cash at bank balance relates to cash held in overseas accounts which cannot be repatriated easily to the United Kingdom.

Included in the cash and bank above is £0.6 million (2023–24: £34.7 million) which can only be spent on Erasmus+ grants.

### (b) Short-term investments

	Group		British Council	
	2025	2024	2025	2024
<b>Short-term deposits maturing in under one year held in:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Sterling	25,000	115,000	25,000	115,000
Euros	–	–	–	–
Other currencies	50,798	41,459	26,316	30,918
<b>Total short-term investments</b>	<b>75,798</b>	<b>156,459</b>	<b>51,316</b>	<b>145,918</b>

The British Council holds non-restricted funds on short-term deposit accounts or money market deposits with a maturity of less than one year at market rates.

## 15 Creditors

### (a) Amounts falling due within one year

#### Analysis by type

	Group		British Council	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade creditors	47,613	60,418	43,952	56,297
Balances resulting from activity under contracts and agreements	15,215	75,338	16,740	77,406
Other creditors	7,299	14,410	5,873	13,692
Taxation and social security	9,223	8,657	7,198	6,300
VAT creditor	4,509	2,680	2,915	1,063
Deferred income	144,490	141,824	95,876	96,070
Accruals - grants payable	2,753	5,353	2,514	5,346
Accruals - other	83,972	92,453	67,330	74,705
Amounts due to subsidiary undertakings	–	–	43,589	49,902
Loan <sup>19</sup>	–	197,000	–	197,000
<b>Total creditors falling due within one year</b>	<b>315,074</b>	<b>598,133</b>	<b>285,987</b>	<b>577,781</b>

### (b) Analysis of deferred income

	Group		British Council	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 April	141,824	134,243	96,070	103,722
Unrealised loss on exchange rate	(1,492)	708	(6)	7
Income recognised during the year	(139,152)	(134,065)	(93,671)	(103,544)
Income deferred during the year	143,310	140,938	93,483	95,885
<b>At 31 March</b>	<b>144,490</b>	<b>141,824</b>	<b>95,876</b>	<b>96,070</b>

### (c) Amounts falling due after one year

	Group		British Council	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans <sup>19</sup>	197,000	–	197,000	–
<b>Total creditors falling due after more than one year</b>	<b>197,000</b>	<b>–</b>	<b>197,000</b>	<b>–</b>

•<sup>19</sup> The loan of £197 million issued by the FCDO is unsecured with a repayment date of 30 September 2026. Interest has been charged at SONIA (the Sterling Overnight Index Average administered by the Bank of England) plus 2 per cent per annum.

The FCDO have committed to extend the loan to 30 September 2027, while the British Council and FCDO work through a longer term restructure of the loan with multiple parties involved.

## 16 Provisions for liabilities and charges

### (a) Amounts falling due within one year

	*Restated				Total £'000
	Early retirement £'000	Other staff £'000	Legal £'000	Other £'000	
At 1 April 2024	6,337	2,573	798	31,582	41,290
Exchange rate differences	(1)	(49)	(4)	(202)	(256)
Net amounts utilised or reversed	(6,337)	(2,337)	(736)	(8,433)	(17,843)
Reclassified to long-term provision <sup>20</sup>	–	–	–	(7,694)	(7,694)
Charged to expenditure	2,022	1,688	592	6,754	11,056
<b>At 31 March 2025</b>	<b>2,021</b>	<b>1,875</b>	<b>650</b>	<b>22,007</b>	<b>26,553</b>

\*See note 28 prior period adjustments

The provision for early retirement relates to costs to service the number of early retirement schemes offered by the PCSPS.

Other provisions include amounts for contract activity losses and taxes. These are not disclosed separately in detail as to do so could impact the probability of the liability materialising.

### (b) Amounts falling due after one year

	Other £'000	Total £'000
At 1 April 2024	396	396
Charged to expenditure	–	–
Net amounts utilised or reversed	(396)	(396)
Reclassified from other short-term provision <sup>20</sup>	7,694	–
Charged to expenditure	2,202	2,202
<b>At 31 March 2025</b>	<b>9,896</b>	<b>2,202</b>

•<sup>20</sup> This relates to amounts previously classified as falling due within one year, however, upon reassessment this amount will now fall due after one year from the reporting date.

## 17 Terminal gratuity

### Amounts falling due after one year

	2025	2024
	£'000	£'000
At 1 April	30,456	29,216
Exchange rate differences	(1,094)	(1,191)
Net amounts utilised or reversed	(3,714)	(4,115)
Charged to expenditure	6,557	6,546
<b>At 31 March</b>	<b>32,205</b>	<b>30,456</b>

In many overseas offices the British Council operates terminal gratuity schemes for its locally engaged employees. Payments under these schemes are calculated according to local labour regulations and the Terms and Conditions of service agreed for each country and are based on the final salary and length of service. The terminal gratuity is paid as a lump sum to the employee when their employment ends as a result of resignation, retirement or early retirement, dismissal (except for any recovery in the case of proven fraud), death in service or redundancy.

These schemes meet the definition of defined benefit post-employment benefits. FRS 102 requires the defined benefit liability and the related expense to be calculated using the 'projected unit method', applying appropriate actuarial assumptions. In the case of these terminal gratuities, the key assumptions are length of service at the date that employment ends, the salary at that date and the discount rate to be applied to calculate the net present value at the balance sheet date. The British Council has calculated that there is no material difference between measuring the defined benefit liability using this method and using a simpler calculation based on salary and length of qualifying service, both as at the Balance Sheet date. Accordingly, the British Council's liability to make terminal gratuity payments is recognised on the basis of service accrued as at 31 March each year.

For the majority of schemes, there are no plan assets and payments are made out of the cash held at the time the terminal gratuity is paid. The total value of plan assets, and return on plan assets is not material, and hence the fair value of any plan assets is not disclosed. The unfunded part of the obligation is recognised in full.

## 18 Movements on funds and reserves

### (a) Movement in unrestricted funds

	*Restated General account	Limited access reserve	Risk reserve	Investment fund	Capital account	Revaluation account	Heritage asset reserve	*Restated Total unrestricted funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2024</b>	<b>(57,798)</b>	–	–	–	<b>83,248</b>	<b>95,071</b>	<b>83,735</b>	<b>204,256</b>
Net expenditure	(40,362)	–	–	–	–	–	–	(40,362)
Revaluation account movement on tangible fixed assets	–	–	–	–	–	33,099	–	33,099
Revaluation account movement on intangible fixed assets	–	–	–	–	–	5,490	–	5,490
Revaluation of heritage assets	–	–	–	–	–	–	3,683	3,683
Foreign exchange differences arising on consolidation of foreign operations	(12,560)	–	–	–	(3,668)	–	–	(16,228)
Transfer to/from limited access reserve	–	–	–	–	–	–	–	–
Transfer to/from risk reserve	–	–	–	–	–	–	–	–
Transfer to/from restricted heritage asset reserve	–	–	–	–	–	–	(1,054)	(1,054)
Transfer to/from unrestricted heritage asset reserve	–	–	–	–	–	–	–	–
Transfer to/from restricted grant reserve	1,794	–	–	–	–	–	–	1,794
Transfer to/from capital account	(1,782)	–	–	–	1,782	–	–	–
<b>At 31 March 2025</b>	<b>(110,708)</b>	–	–	–	<b>81,362</b>	<b>133,660</b>	<b>86,364</b>	<b>190,678</b>
Minority interest	–	–	–	–	–	–	–	1
<b>Total capital employed</b>	<b>(110,708)</b>	–	–	–	<b>81,362</b>	<b>133,660</b>	<b>86,364</b>	<b>190,679</b>

\*See note 28 prior period adjustments

Cumulative foreign exchange losses of £20.8 million (2023–24: £15.6 million) and foreign exchange gains of £2.8 million (2023–24: £10.3 million) respectively are included in the General Account and Capital Reserve above. Such amounts relate to the re-translation of the net assets of foreign entities and will fluctuate in accordance with the relative exchange rates ruling at future Balance Sheet dates.

The minority interest shown above relates to external shareholders in British Council's subsidiaries in Thailand (see note 12 (d)).

## Reserves policy

The British Council's unrestricted reserves include reserves representing fixed assets: the capital account, revaluation reserve and heritage asset reserve. These represent funds that are not available for other purposes, until the assets are sold. The British Council also has a limited access reserve that is designated to cover other funds that are not readily available for use.

The British Council's remaining unrestricted reserves are available for use on any of its charitable objects. The British Council's Reserves policy was approved by the Board of Trustees in March 2022. The policy is to allocate funds to the limited access and risk reserves, then to the investment fund with the balance, if any, held in the general account. If there is unspent non-ODA grant-in-aid at the year end, this is held in the general account because the conditions of the funding are that it is spent rather than saved in reserves.

### Limited Access Reserve

The limited access reserve is designated to cover funds that are not readily available for use, including trapped cash, the non-distributable reserves of subsidiaries (for the group accounts) and bank bonds and guarantees. There was no balance on this reserve at 31 March 2025.

### Risk Reserve

The purpose of the risk reserve is to protect the British Council from the financial impact of specific risks where that impact can be estimated; and ensure that it can manage the impact of general economic or operating risks on its operations and strategy. The target level for the risk reserve is set each financial year and includes a balance to cover economic and operating risk, and tax and indemnity risks that do not meet the threshold for creating a provision in the annual accounts.

The Board of Trustees conclude that the Risk Reserve target should be equivalent to three months of business expenditure, balancing that against investment requirements and our charitable objectives, with the aim of rebuilding the Risk Reserve to an appropriate level over the next five to ten years.

### Investment Fund

The purpose of the investment fund is to fund change programmes that support the British Council's strategic objectives, for example developments in products, systems or infrastructure. The balance at 31 March 2025 was nil (2023–24: nil). Investment activity carried out during the next financial year will be met from trading surpluses generated during the year and the FCDO term loan (see note 24 for more information about the term loan).

### Capital and Revaluation Account

The total of the capital and revaluation accounts represent the total current book value of the British Council's tangible and intangible fixed assets. This can only be realised through the disposal of the underlying assets. See note 10 for restrictions that may impact disposal. The balance at 31 March 2025 for the capital and revaluation accounts are £81.4 million and £135 million respectively (2023–24: £83.2 million and £95.1 million respectively).

### General Account

At 31 March 2025, the balance on the general account was a debit of £118 million (2023–24: debit of £42.5 million). Therefore, there is no available funds to allocate to the limited access reserve, risk reserve and investment fund.

## (b) Movement in restricted funds

	Income (restricted grants) reserve	Expendable endowment reserve	Heritage asset reserve	Total restricted funds
	£'000	£'000	£'000	£'000
<b>At 1 April 2024</b>	<b>1,794</b>	<b>185</b>	<b>111,946</b>	<b>113,925</b>
Transfer from unrestricted funds; heritage assets	(1,794)	–	1,054	(740)
Funds spent from reserves	–	–	–	–
Net income	191	36	–	227
<b>At 31 March 2025</b>	<b>191</b>	<b>221</b>	<b>113,000</b>	<b>113,412</b>

### Expendable endowment reserve

The British Council has the power to spend the capital related to these trusts and restricted donations for the purpose of the trust or in line with the conditions attached to the donation.

- Lefèvre Trust – To promote understanding between the UK and France, and the mutual learning of customs and language through an exchange programme for French and British boys and girls between the ages of 11 and 19.
- The Sir Shiu Kin Tang Educational Trust – To advance the education of postgraduate students from Hong Kong in the UK.
- Dame Nancy Parkinson Bequest – To assist Commonwealth students to purchase books, attend conferences or consult specialist advisers in Britain when this cost could not be met from public funds.

### (c) Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£'000	£'000	£'000
Fixed assets	303,086	111,300	414,386
Investments	293	118	411
Current assets	452,813	17,209	470,022
Current liabilities	(326,412)	(15,215)	(341,627)
Amounts falling due after more than one year	(239,101)	–	(239,101)
<b>Total net assets as at 31 March 2025</b>	<b>190,679</b>	<b>113,412</b>	<b>304,091</b>

	*Restated Unrestricted funds	Restricted funds	*Restated Total funds
	£'000	£'000	£'000
Fixed assets	262,054	111,946	374,000
Investments	690	119	809
Current assets	536,450	77,198	613,648
Current liabilities	(564,085)	(75,338)	(639,423)
Amounts falling due after more than one year	(30,852)	–	(30,852)
<b>Total net assets as at 31 March 2024</b>	<b>204,257</b>	<b>113,925</b>	<b>318,182</b>

\*See note 28 prior period adjustments

## 19 Commitments

### (a) Capital commitments

	2025	2024
	£'000	£'000
Contracted expenditure	282	56

Contracted expenditure includes £0.01 million (2023–24: £0.05 million) relating to subsidiary capital commitments.

### (b) Specific charitable projects (grants)

	2025	2024
	£'000	£'000
<b>To be undertaken:</b>		
In one year or less	1,545	3,091
Between one and five years	1,012	876
In five years or more	–	–
<b>Total future minimum payments for charitable projects (grants)</b>	<b>2,557</b>	<b>3,967</b>

These relate to grants that we have committed to giving in future years in a signed contract, that we have not yet paid or accrued for. For example, where a grant agreement states that the grant will be paid in instalments, but that payment of future instalments is:

- tied to a particular time period
- subject to the recipient finding match-funding
- subject to a performance review by the British Council that could result in payment being withheld.

The British Council has either already received the funds needed to pay these grants, or has legal agreements in place with third party organisations to fund them.

Grants to be undertaken in the following year does not include any grant (2023–24: nil) relating to subsidiary charitable commitments.

### (c) Future minimum lease payments under non-cancellable operating leases

	2025			2024		
	Land and buildings	Other	Total	Land and buildings	Other	Total
Payments to be made:	£'000	£'000	£'000	£'000	£'000	£'000
In one year or less	15,676	326	16,002	13,246	343	13,589
Between one and five years	25,712	521	26,233	24,352	260	24,612
In five years or more	44,500	1	44,501	51,439	–	51,439
<b>Total future minimum lease payments</b>	<b>85,888</b>	<b>848</b>	<b>86,736</b>	<b>89,037</b>	<b>603</b>	<b>89,640</b>

The total amount of lease payments recognised as an expense in the Consolidated Statement of Financial Activities is £23 million (2023–24: £27.1 million).

## 20 Analysis of changes in net debt

	At 1 April 2024	Cash flows	Foreign exchange movements	At 31 March 2025
	£'000	£'000	£'000	£'000
<b>Cash and cash equivalents</b>				
Cash at bank	311,553	(44,279)	(8,270)	259,004
	<b>311,553</b>	<b>(44,279)</b>	<b>(8,270)</b>	<b>259,004</b>
<b>Borrowings:</b>				
Due after more than one year	(197,000)	–	–	(197,000)
	<b>(197,000)</b>	<b>–</b>	<b>–</b>	<b>(197,000)</b>
<b>Total</b>	<b>114,553</b>	<b>(44,279)</b>	<b>(8,270)</b>	<b>62,004</b>

## 21 Losses and special payments

During the year ended 31 March 2025, there were 163 losses totalling £503,156 as defined in Managing Public Money (2023–24: 213 cases totalling £1,366,435). This includes fraudulent and non-fraudulent business losses.

There were 7 cases totalling £119,998 that fall within the category of special payments as defined in Managing Public Money (2023–24: 5 cases totalling £17,541). Where required, the payments were approved by HM Treasury on a value for money basis.

There was no loss that exceeded the disclosure threshold of £300,000.

The British Council also incurred realised foreign exchange losses of £8,438,929 (2023–24 £13,335,043).

## 22 Related party transactions

The British Council is a non-departmental public body sponsored by the FCDO.

The FCDO is regarded as a related party. During the year, the British Council had various material transactions with the FCDO, most notably the receipt of grant-in-aid as disclosed in note 2(b) and note 3.

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:

- Department for Science, Innovation and Technology
- Department for Digital, Culture, Media and Sport
- Department for Education.
- Conflict, Stability and Security Fund (CSSF)

In addition, the British Council 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 of the British Council Benevolent Fund are appointed by the Board of Trustees of the British Council.

The British Council had a number of transactions with other entities within the British Council Group. Details of Intragroup loans are also set out in note 12 (f). The total of intercompany balances between the British Council and its subsidiaries are set out in notes 13 and 15 (a).

Please refer to the Senior Leadership Team remuneration report on page 59 for details of salaries paid to the senior leadership team.

None of the Trustees, Board members, key managerial staff or other related parties have undertaken any material transactions with the British Council during the year other than as disclosed below:

Organisation	Trustee/Board member	Relationship	Grants provided and funds disbursed under contracts/agreements <sup>19</sup>	Debtor balance	Creditor balance
			2024–25 £'000	2025 £'000	2025 £'000
The Foreign, Commonwealth & Development Office (FCDO)	Dr Christian Turner	Political Director	8,687	181	(820)
Edtech Lab (Imperial College, UK)	Dr David John Lefevre	Professor of Practice	1,890	–	(80)
Unlimited	Ms Clare Reddington	Chair (Partner)	473	–	–
Advance HE (registered charity in UK)	Mr Paul Woodgates	Director and Trustee	206	–	(53)
Greenwich University	Mr Sushil Saluja	Trustee	172	–	–
University of Dundee	Ms Wendy Alexander	Former Vice Principal	153	–	(22)
De Montfort University	Mr Paul Woodgates	Deputy Chair of Board of Governors	150	–	–
Lucy Cavendish College, Cambridge	Ms Sarah Louise Sands	Honorary Fellow	103	–	–
Manchester Metropolitan University	Mr Malcolm Press	Vice Chancellor	77	2	–
Goldsmiths University of London	Ms Sarah Louise Sands	Honorary Fellow	24	–	–
JISC Services Ltd	Ms Fiona Salzen	Trustee	21	–	(2)
Universities UK	Mr Malcolm Press	Trustee	5	–	(5)
Science Museum Group	Ms Sarah Louise Sands	Trustee	3	–	–

Organisation	Trustee/Board member	Relationship	Grants provided and funds disbursed under contracts/agreements <sup>21</sup>	Debtor balance	Creditor balance
			2023–24 £'000	2024 £'000	2024 £'000
The Foreign, Commonwealth & Development Office (FCDO)	Sir Thomas Drew KCMG	Director General, Defence and Intelligence	10,447	2,467	(2,619)
	Dr Christian Turner	Political Director			
Edtech Lab (Imperial College, UK)	Dr David John Lefevre	Director	910	–	(178)
Manchester Metropolitan University	Mr Malcolm Press	Vice-Chancellor	283	3	(10)
Advance HE (registered charity in UK)	Mr Paul Woodgates	Director and Trustee	231	–	(34)
Greenwich University	Mr Sushil Saluja	Trustee	209	–	–
University of Dundee	Ms Wendy Alexander	Vice Principal	204	–	–
Lucy Cavendish College	Ms Sarah Louise Sands	Honorary Fellow	118	–	–
University of Arts London	Ms Joanna Pearson	Partner	78	–	–
De Montfort University	Mr Paul Woodgates	Independent Governor	40	–	(10)
Goldsmiths University of London	Ms Sarah Louise Sands	Honorary Fellow	22	–	(2)
Universities UK	Mr Malcolm Press	Trustee	10	–	(5)
Turner Contemporary, UK	Sir Stephen Deuchar CBE	Trustee	5	–	–
Science Museum Group	Ms Sarah Louise Sands	Trustee	4	–	–

<sup>21</sup> Grants provided and funds disbursed under contracts and agreements include payments for both grants and non-grant items.

Some of the Trustees of the British Council may be related to companies with which British Council has entered into partnerships. There are no undisclosed transactions between British Council and these partners, however, there may be other indirect benefits or similar.

## 23 Contingent liabilities

The British Council and its subsidiaries are currently involved in a number of legal proceedings in respect of employment and contract disputes, copyright and other legal claims. These claims include disputes with former employees with a maximum value of £3.6 million (2023–24: £3.8 million). The British Council believes that no significant losses will arise from these proceedings. The British Council has £2.2 million (2023–24: £2.1 million) relating to bank guarantees issued under various contracts, which may be called if the British Council does not meet its contractual obligations. No losses are expected to arise under these arrangements.

As the activities of the British Council overseas have developed over time and the regulatory environment has evolved, the organisation has faced uncertainties over its legal and tax status in particular countries. In recent years steps have been taken to resolve the status position in the key territories in which the British Council operates, but there are potential taxation and other liabilities in certain territories of around £28 million (2023–24: £21.3 million) associated with status changes or uncertainties over the interpretation of tax laws and regulations as applied to past activities. This amount is risk adjusted based on British Council's assessment of the likelihood of each of these cases progressing further. Full disclosure has not been made in relation to these potential liabilities as there is a high degree of uncertainty as to the amounts at risk and the timing of any potential settlements. The British Council also believes that disclosure would seriously prejudice the probability of any liability at settlement.

The British Council has a composite facility with respect to foreign bills/cheques for negotiation and/or engagements for a combined amount of US \$15.5 million with HSBC to cash foreign currency cheques that we receive or to issue bank bonds and guarantees on our behalf. There are no bonds or guarantees under this facility outstanding at 31 March 2025.

## 24 Financial instruments

The governance statement sets out the British Council's approach to managing its main financial risks.

### Credit risk

Counterparty credit limits, which take published credit ratings and other factors into account, are set to cover the investment exposure to individual financial institutions. 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. Similar counterparty credit limits apply to banks with respect to forward foreign exchange contracts.

### Liquidity risk

Liquidity risk remains high as the British Council deals with geopolitical and economic conditions that impact its income generating activities. To mitigate this risk, the British Council has successfully renegotiated the term of the loan with the FCDO to ensure it is able to further its objectives.

The loan of £197 million provided by FCDO is now repayable on 30 September 2026. The FCDO have committed to extend the loan to 30 September 2027, while the British Council and FCDO work through a longer term restructure of the loan with multiple parties involved. All investments are in accordance with the British Council's investment policy. Non-restricted cash is held on short-term deposit accounts or money market deposits with a maturity of not more than 12 months at market rates. The British Council is therefore securing interest returns on cash holdings largely held in the UK on a short-term basis. Surplus funds which cannot be repatriated to the UK (due to local foreign exchange controls) are currently invested for periods of up to six months.

### 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 limiting 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 and then invested and/or held in convertible hard currency accounts.

The British Council operates a foreign exchange forward programme to cover up to 80 per cent of Indian rupee and Chinese Yuan exposures, the objective being to assist in achieving budget certainty. The British Council's current US dollar and euro exposures are limited by significant natural hedges and as a result, the British Council held no open euro or US dollar forward foreign exchange contracts as at 31 March 2025 (2023–24: nil). At 31 March 2025, the fair value of the forward foreign exchange contracts held in Indian rupees and Chinese Yuan was an unrealised gain of £0.3 million (2023–24: £0.05 million gain).

## 25 Contract activity as an agent

During the year, the British Council executed activities under contracts where the British Council acted as an agent. As a result, the resources have not been recognised in the Consolidated Statement of Financial Activities or Consolidated and British Council Balance Sheet, in accordance with the SORP.

The resources from these contracts are analysed as follows:

	2024–25	2023–24
	£'000	£'000
Contract income	62,517	44,430
Contract expenditure	62,517	44,430

## 26 Post-Balance Sheet events

In accordance with the requirements of FRS 102, events after the end of the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

On 8 April 2025, the British Council signed an agreement to sell its school in Madrid, Spain, known as El Colegio Británico to Inspired Education Group with the sale taking effect on the same date. The estimated gross proceeds from this sale is approximately £49.2 million. The sale of the school is part of the British Council's ongoing transformation project. The British Council continues to operate in Spain and its non-teaching and other cultural engagement activities is not impacted by this sale.

On 5 June 2025, the Russian government announced new legislation that deemed the British Council as an "undesirable organisation". The means there is a complete ban on all collaboration with the British Council which came into effect on the same date. Even though the British Council did not have an in-country operation in Russia prior to this, it was in the process of winding-up its operation in Russia, nonetheless. The net assets of the British Council's operation in Russia included the Consolidated Balance Sheet at 31 March 2025 was approximately £27 thousand.

On 27 August 2025, the British Council's office in Kyiv, Ukraine was substantially damaged in a Russian missile attack. The British Council's lease of this building expires on 31 January 2029 with a yearly commitment of approximately £57 thousand.

### 28 February 2026

The conflict in Iran and neighbouring countries in the Middle East is having an impact on British Council's operations. British Council has temporarily reduced activities in 7 countries within the region while continuing to deliver on-line services. In two key markets outside the region, it has begun to see a temporary deterioration in relation to foreign exchange. The Trustees are continually monitoring and assessing the impact of the conflict on the operations of British Council including its staff members.

## 27 Going concern

The Trustees are required to confirm that it is appropriate for the British Council to adopt the going concern principle in preparing its accounts. In recent years the British Council has made progress with growing income following the pandemic, alongside reducing costs across the organisation. However, recovery in some areas has been slower and the organisation has been affected by geopolitical events and changing approaches to immigration policy across the globe, which has impacted demand. Global economic challenges, such as rising inflation and exchange rate volatility have placed further pressure on the British Council's activities and income.

During 2025 management produced a major turnaround plan to address the recovery involving:

- significant business re-focus, asset sales and cost cutting
- identifying investment requirements to implement further organisational restructure
- investment in digital and technology infrastructure
- a revised product portfolio to address these challenges.

The FCDO negotiation around the plan and loan extension, addresses the requirement to retain funds which are needed to invest and deliver the turnaround.

Due to a combination of these factors the British Council's expenses have exceeded income during the last few years and its 2024–25 year-end free reserve position is now a debit of £110.7 million. In the absence of adequate reserves, the British Council remains reliant on a loan facility of £197 million on commercial terms which the FCDO have committed to extend to 30 September 2027, while the British Council and FCDO work through a longer-term restructure of the loan with multiple parties involved. Discussions around this are on-going and trustees and the FCDO expect this to be concluded early in the second quarter of calendar year 2026, which will allow for the complexity of the organisation's financial situation to be fully addressed.

Based on measures anticipated to be agreed by both sides the British Council has projected its cash requirements which show that the organisation can meet its financial commitments as they fall due for the next financial year. Accordingly, the Trustees assess that the British Council will continue to operate for at least 12 months from the date that the accounts are approved, and it is therefore appropriate to prepare the 2024–25 accounts on a going concern basis.

The Trustees remain confident in the ongoing support of the FCDO and in the constructive negotiations to secure the British Council's future. Nevertheless, because of the British Council's projected, cash and reserves position, and its consequential dependence on agreeing a restructuring with the FCDO, it is important to recognise at the date of signing of the accounts that a material uncertainty remains over the organisation's ability to continue as a going concern in the longer term.

## 28 Prior period adjustments

During the financial year, British Council reassessed available information relating to a specific provision. The reassessment indicated an adjusting post balance sheet event existed and it was appropriate to recognise an additional provision of £15.3 million in the financial year 2023–24. This was previously part of the British Council's contingent liability assessment. Further details about the nature of the provision cannot be disclosed as this may adversely impact the British Council's position in relation to the underlying issue. The restatements included in the comparatives are explained below.

The total resources expended to promote cultural relationships and the understanding of different cultures during 2023–24 as presented in the Consolidated Statement of Financial Activities has now been restated to £1,053.8 million from £1,038.6 million. This has led to a restated net expenditure in 2023–24 of £81.6 million from £66.3 million while the total funds carried forward is restated to £318.2 million from £333.4 million. The British Council's non-consolidated total resources expended and total net outgoing resources have been restated to £876 million from £861 million and £96 million from £80 million respectively.

The group short-term provision for liabilities and charges for 2023–24 as presented in the Consolidated Balance Sheet has now been restated to £41.3 million from £26 million and the general account balance has been restated to a debit of £57.8 million from a debit of £42.5 million. Additionally, the British Council short-term provision for liabilities and charges has also been restated to £39.2 million from £23.9 million while the British Council general account has been restated to a debit of £93.6 million from a debit of £78.3 million.

The opening net expenditure for 2023–24 as presented in the consolidated reconciliation of net income/(expenditure) to net cash flow from operating activities has been restated to £81.6 million from £66.3 million while the movement in provision excluding foreign exchange translation for 2023–24 has been increased to £6.4 million from a prior decrease of £8.9 million.

The total resources expended to promote cultural relationships and the understanding of different cultures presented as part of the expenditure on charitable activities (note 5 a) during 2023–24 has now been restated to £1,053.8 million from £1,038.6 million.

The tax charge at standard UK corporation tax rate of 25% and losses not relievably against current income for 2023–24 as included in the factors affecting the current tax charge (note 8 b) has been restated to a credit of £16.4 million and £22.4 million from a credit of £12.5 million and £18.6 million respectively.

The opening balance of other provisions included in the provisions for liabilities and charges (note 16 a) has been restated to £31.6 million from £16.3 million.

The opening balance of the general account included in the movement on funds and reserves (note 18 a) has been restated to a debit of £57.8 million from a debit of £42.5 million.

The unrestricted current liabilities for 2023–24 included in the analysis of group net assets between funds (note 18 c) have been restated to £564.1 million from £548.8 million.

# Our global network

We also work with and in many other countries around the world, both through our staff on the ground and through digital and broadcast media channels.

Contact details for our offices can be found on our country websites.

The list of offices below is as of 31 March 2025.

For more information, please look on our corporate website, [www.britishcouncil.org](http://www.britishcouncil.org) or telephone +44 (0)161 957 7755.

<b>Albania</b> Tirana	<b>Colombia</b> Bogotá	<b>Iraq</b> Baghdad Erbil	<b>Mauritius</b> Rose Hill	<b>Portugal</b> Coimbra Lisbon Miraflores Parede	<b>Tanzania</b> Dar es Salaam
<b>Algeria</b> Algiers	<b>Croatia</b> Zagreb	<b>Ireland</b> Dublin	<b>Mexico</b> Mexico City		<b>Thailand</b> Bangkok Chiang Mai
<b>Argentina</b> Buenos Aires	<b>Cuba</b> Havana	<b>Israel</b> Givatayim	<b>Morocco</b> Casablanca Rabat	<b>Qatar</b> Doha	<b>Trinidad and Tobago</b> St Augustine
<b>Armenia</b> Yerevan	<b>Cyprus</b> Nicosia	<b>Italy</b> Milan Naples Rome	<b>Mozambique</b> Maputo	<b>Romania</b> Bucharest Cluj-Napoca Iasi	<b>Tunisia</b> Tunis
<b>Australia</b> Sydney	<b>Czech Republic</b> Brno Prague	<b>Jamaica</b> Kingston	<b>Myanmar</b> Mandalay Yangon	<b>Rwanda</b> Kigali	<b>Turkey</b> Ankara Istanbul
<b>Austria</b> Vienna	<b>Egypt</b> Alexandria Cairo	<b>Japan</b> Tokyo	<b>Nepal</b> Kathmandu	<b>Saudi Arabia</b> Dammam Jeddah Riyadh	<b>Uganda</b> Kampala
<b>Azerbaijan</b> Baku	<b>Estonia</b> Tallinn	<b>Jordan</b> Amman	<b>Netherlands</b> Amsterdam	<b>Senegal</b> Dakar	<b>Ukraine</b> Kyiv
<b>Bahrain</b> Manama	<b>Ethiopia</b> Addis Ababa	<b>Kazakhstan</b> Almaty Astana	<b>New Zealand</b> Auckland	<b>Serbia</b> Belgrade	<b>United Arab Emirates</b> Abu Dhabi Dubai Sharjah
<b>Bangladesh</b> Chattogram Dhaka Sylhet	<b>France</b> Paris	<b>Kenya</b> Nairobi	<b>Nigeria</b> Abuja Kano Lagos Port Harcourt	<b>Singapore</b> Singapore	<b>United Kingdom</b> Belfast Cardiff Edinburgh London
<b>Belgium</b> Brussels	<b>Georgia</b> Tbilisi	<b>Korea</b> Seoul	<b>Palestine</b> East Jerusalem Ramallah	<b>Slovakia</b> Bratislava	<b>Uzbekistan</b> Tashkent
<b>Bosnia and Herzegovina</b> Sarajevo	<b>Germany</b> Berlin	<b>Kuwait</b> Kuwait City	<b>Oman</b> Muscat	<b>South Africa</b> Cape Town Johannesburg	<b>Venezuela</b> Caracas
<b>Botswana</b> Gaborone	<b>Ghana</b> Accra	<b>Latvia</b> Riga	<b>Pakistan</b> Islamabad Karachi Lahore	<b>Spain</b> Barcelona Bilbao Madrid Palma de Mallorca Valencia	<b>Vietnam</b> Hanoi Ho Chi Minh City
<b>Brazil</b> Sao Paulo	<b>Greece</b> Athens Thessaloniki	<b>Lebanon</b> Beirut	<b>Peru</b> Lima	<b>Sri Lanka</b> Colombo Jaffna Kandy	<b>Yemen</b> Mukalla
<b>Bulgaria</b> Sofia	<b>Hong Kong</b> Hong Kong	<b>Libya</b> Tripoli	<b>Philippines</b> Taguig City	<b>Taiwan</b> Taipei	<b>Zambia</b> Lusaka
<b>Cameroon</b> Yaoundé	<b>Hungary</b> Budapest	<b>Lithuania</b> Vilnius	<b>Poland</b> Warsaw Wroclaw Krakow		<b>Zimbabwe</b> Bulawayo Harare
<b>Canada</b> Toronto	<b>India</b> Chennai Kolkata Mumbai New Delhi	<b>Malawi</b> Blantyre Lilongwe			
<b>Chile</b> Santiago	<b>Indonesia</b> Jakarta	<b>Malaysia</b> Kuala Lumpur Penang Mutiara Damansara			
<b>China</b> Beijing Chongqing Guangzhou Shanghai					