

**B B C** WORLD SERVICE TRUST

**Annual Report 2007/08**

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## Annual Report 2007/2008

### What we do

**The BBC World Service Trust (the Trust) uses media and communication to reduce poverty and promote human rights, thereby enabling people to build better lives for themselves. We believe that independent and vibrant media are critical to the development of free and just societies.**

We share the BBC's ambition to provide accurate, impartial and reliable information to enable people to make informed decisions. Our aspiration is a world in which individuals and civil society use media and communications to become effective participants in their own political, economic, social and cultural development.

The work is structured in **three regions: Africa, Asia and 'Rest of World'** (Europe, FSU, Middle East, Central Asia). We are also involved in cross-cutting activities, including policy and communications, which span all regions

Our work focuses on **two main areas** (media development and development communications), and is delivered through **five overarching themes** (humanitarian response, environment, governance and human rights, health, and learning for livelihoods).

**Media development** involves training journalists across all media formats (including the web), rebuilding radio and TV stations that have been destroyed or damaged through conflict, and work at a national and international level to improve legislation to support a free and open press.

**Development communication** involves the creative and innovative use of a wide variety of formats such as drama and 'soaps', political discussion programmes and public service announcements. We support work through all stages: initial research and 'pre-testing' of outputs, script-writing and training production crews, casting actors and recruiting presenters, making the programmes, and building partnerships with other broadcasters to ensure wide and appropriate delivery platforms. In addition to the broadcasts themselves we conduct associated broader campaigns, working with local organisations (NGOs, Ministries, media organisations and other civil society actors) to ensure depth and reach of impact.

In order to cluster our work around pressing development concerns, we focus on five key issues, illustrated below with a few direct examples of project work:

#### **Humanitarian response**

We broadcast life-saving information on radio to 6.5 million people in Darfur, including two million people living in the region's 85 camps for refugees and people displaced by the conflict in Sudan.

#### **Environment**

We worked in association with Indian NGOs to deliver training to hundreds of journalists and NGOs in



nine Indian states to improve the quality and quantity of environmental information published in the media. We are investigating the potential for radio programmes in Africa about climate change.

### **Governance and human rights**

We work with local media to produce ground-breaking political debate TV and radio programmes in Bangladesh, which help voters hold politicians and their leaders to account. Seven million people tune in every week. In Iran we have been training journalists to help cover sensitive issues through a highly innovative web-based scheme that has earned awards and driven huge website traffic.

### **Health**

We work with Indian broadcasters and government partners to produce a mass media campaign that changed the attitudes of millions of people in India to HIV-related issues, including wearing condoms and challenging the stigma and discrimination against people living with the virus.

### **Learning for livelihoods**

We produce a national radio programme to help people involved in raising and trading livestock in Somalia. It delivered the practical skills, technical knowledge and business awareness required to increase incomes and improve livelihoods. In addition, we have worked with partners to deliver radio programmes and face-to-face tutorials which taught more than 30,000 people in Somalia how to read and write.

In May 2008 we also launched our biggest education/learning for livelihoods project to date. 'English in Action' aims to increase English-language skills in Bangladesh. It is an innovative, multi-platform project, with mobile telephones an important part of the mix.

### **Research and Learning**

All our work is underpinned by rigorous research to inform each stage of project delivery and to measure impact. The Trust has a network of almost 50 researchers worldwide, largely drawn from and based in the countries and communities in which the Trust works. This research capacity underpins the design and assessment of all project work, and particularly focuses on identifying the demand side of the development issues we cover and explores how media can meet those demands.

Drawing on the Trust's four levels approach (sector level with policy and decision-makers; organisation level with state, commercial and not-for-profit entities; the practitioner level with professionals and opinion leaders; and the individual level with various target audiences), the Trust's Research and Learning group has undertaken research to inform and evaluate a range of projects across the year.

This research seeks to optimize and to understand the extent to which the Trust's media interventions and activities (project) have achieved the project objectives across a range of health, governance and human rights indicators. Recognising the challenge of monitoring and evaluation in this area, the research uses multiple measures (quantitative and qualitative) with different methods which are modified and enhanced depending on the length and specific objectives of an intervention.



## **Board of Trustees' Report**

### **Why media and communication for development matters**

**We live in an ever more complex global society, on a planet where more than 2 billion people try to survive on less than \$2 a day. Many people in developing countries are confronted with desperately difficult challenges: hunger, HIV and AIDS, population growth, climate change, war and the daily struggle of poverty.**

To the general public and for many people working for development agencies, there is still the overarching perception that the chief importance of the media is to draw public attention - especially in rich countries - to the plight of people living in poverty.

Here at the Trust all our efforts illustrate that media and communication is so much more than just a source of information on poverty. Our projects focus on the role of media and communications as a critical part of broader development strategies designed to address poverty.

The media, and increasingly new technologies, is a fundamental way for humans to communicate with each other and good communications can affect how successful we're likely to be in confronting the massive challenges we face around the world.

### **The evolution of BBC World Service Trust and 'Trust at Ten'**

**The BBC World Service Trust is the international charity of the BBC. It was established in 1999 to draw together three pre-existing strands of work at the BBC:**

- **The World Service Training Trust**, which provided training for journalists living and working in developing countries, and in countries emerging from communism
- Some externally funded **World Service Education** projects, producing educational programmes on a wide range of subjects, from the environment to health to human rights
- **The BBC Marshall Plan of the Mind**, which was set up to focus on media reform and development in Russia and other transitional economies in Eastern Europe and Central Asia

The Trust is now Europe's largest organisation using media and communication to support development objectives, and is one of the largest in the world by income and geographical reach.

#### **Independently-funded**

The BBC World Service Trust is an independent charity funded by external grants and voluntary contributions. We only receive a small amount of core support for our activities from the BBC (both in kind and cash).

At its inception in 1999, the BBC World Service Trust had an annual income of about £3 million. By 2007/08, this figure had risen to £17.9 million.

### **Working with the BBC**

The BBC World Service Trust draws on the extensive experience and expertise of the BBC, adhering to the Corporation's values, making use of its technical resources and maintaining the highest professional standards of BBC broadcasting and programme-making in all its output.

We work in partnership with BBC World Service, with access to its weekly audience of 183 million listeners in 33 different languages.

Radio is often the most effective medium for speaking directly to the world's poorest communities in languages they understand. Partnership with BBC World Service gives us an unparalleled channel for providing trusted information to millions of people.

We also work with BBC World News, the international news and current affairs TV channel, chiefly through co-hosted BBC World debates (see Communications section below).

### **'Trust at Ten'**

In October 2009, we will be celebrating our tenth anniversary. This milestone provides us with an opportunity to look back at all we have achieved and to review and revitalise our mission and vision. A new strategic process entitled 'Trust at Ten' will lead us through that process across the coming year and the priorities are outlined below in 'Looking ahead: our aims for 2008/2009'.

## **Our achievements in financial year 2007/2008**

### **Africa**

#### **Humanitarian response**

**Sudan:** 'Lifeline' work continues providing emergency humanitarian radio support, offering critical support to vulnerable communities, providing basic information about services and rights.

#### **Governance**

**Angola:** A new project launched in January 2008 focuses on training journalists in preparation for the elections and to broadcast elections-related programming.

**Nigeria:** scores a dismal 20 out of 100 in the Open Budget Index because the government provides 'scant or no' information on its budget and financial activities. A Budget Monitoring project has two interlinked strands: training of journalists and political cartoonists delivered by the BBC World Service Trust, and a series of grassroots advocacy activities managed by a partner organisation, Nigerian



NGO Integrity, which are designed to support citizens and communities in using the media's improved budget analysis to mobilise public opinion around specific areas of concern - corruption, embezzlement, inefficiency and inappropriate spending. Other governance-based work includes the Coalitions for Change project which launched in January 2008. This research-based project explores audience attitudes to corruption and constitutional reform and will inform pending media campaigns. In addition the last two series of the radio drama *Story, Story* have been based on issues of accountability and corruption.

**Sierra Leone:** We have been working with Sierra Leonean broadcasters and international and national NGOs to tackle poor access to information, widespread rumours and misinformation, and the marginalisation of women and young people in the 2007 and 2008 national and local elections. We are working in partnership with the international NGO, Search for Common Ground, as well as the National Election Commission, the Independent Radio Network and National Election Watch. A Trust survey delivered to DFID in June 2007 provided a comprehensive picture of media consumption across Sierra Leone, along with data about levels of knowledge and attitudes about politics and state institutions (legal system, police and electoral system).

**Sierra Leone and Liberia:** Former Liberian President, Charles Taylor, made history in June 2007 by becoming the first African head of state to stand trial for alleged crimes against humanity. The Special Court, an independent tribunal established jointly by the United Nations and the Government of Sierra Leone, is using the International Criminal Court facilities in The Hague during the trial, which is expected to last for 18 months. As part of the 'Communicating Justice' initiative, we are training, deploying and supporting a team of six Liberian and Sierra Leonean journalists to cover the court proceedings. The project extended into francophone West Africa in January 2008 where reports were translated into French and distributed to local radio stations in Guinea.

**Pan-Africa:** As Liberia, Sierra Leone, Burundi and Uganda emerge from conflict, perpetrators of human rights abuses are being brought to trial. The Communicating Justice project involves working with local media professionals in all five countries to raise public awareness, understanding and debate about the mechanisms of 'transitional justice', including the activities of international tribunals, the International Criminal Court and truth and reconciliation commissions.

During this financial year a syllabus was developed for the face-to-face training sessions and an 80-page handbook was published to provide a practical and lasting resource for journalists, media institutions and others following transitional justice developments in their countries. Face-to-face training is reinforced with a tailored online learning course that includes modules on basic journalism skills and newly developed modules on how to report on transitional justice mechanisms, such as special courts and truth commissions.

The online learning courses are built using the BBC World Service Trust's unique online journalism training tool – iLearn ([www.i-learn.co.uk](http://www.i-learn.co.uk)).



## **Health**

In **Angola** we are working in partnership with the Angolan National AIDS Commission, Radio Nacional de Angola, Angolan State Television and a range of international and Angolan NGOs to produce a national, mass media campaign to encourage young people in Angola to protect their sexual health. The centrepiece of our HIV and AIDS prevention work in Angola is an interactive radio programme for young people, *Mo Kamba* ('My Mate'). *Mo Kamba* uses discussion, music, guest appearances by local celebrities and live calls from listeners to get 15-24 year olds talking about HIV and AIDS.

**Ethiopia:** In partnership with Radio Ethiopia, we are producing public service announcements and an interactive radio discussion programme to increase young peoples' knowledge of sexual and reproductive health issues, and to provide a space for frank, informed discussions. The programme is broadcast by Radio Ethiopia in two Ethiopian languages - Amharic and Afan Oromo.

**Kenya:** A weekly radio programme for young people, *Kimasomaso*, in partnership with BBC Swahili service addresses issues around HIV and AIDS and sexual and reproductive health generally. A BBC WST survey released in April demonstrated a loyal following and suggested useful listener insights into the future development of style and content.

**Nigeria:** We are working in partnership with a range of Nigerian broadcasters and media professionals to raise awareness and change behaviour around HIV and AIDS among young people in Nigeria. A 'Stop HIV' project combines radio and TV in local languages and includes the award-winning TV drama *Wetin Day*. Research indicates very positive results with high awareness levels in radio listeners, increased use of condoms, and a willingness to get HIV tested. A new series of a Hausa language drama and discussion programme *Gatanan Gatananku* was aired in January 08. The programmes were also made available for rebroadcasting through the Trust's extensive network of partner radio stations in Nigeria.

## **Learning for livelihoods**

**Somalia:** We have continued our focus on education and livelihoods, working with a wide range of partners to improve literacy and numeracy skills, and to help people involved in the livestock sector make a better living.

**Pan-Africa:** In the early part of the financial year we launched a web portal to provide quality teacher education materials (including a large library of downloadable audio outputs) for primary school teachers. These activities are part of a much larger initiative to support 'Teacher Education in Sub Saharan Africa' (TESSA). As part of that, in June, 'Teachers in Africa', saw a season of programmes broadcast on BBC World Service for Africa (English) and BBC Swahili service. These broadcasts marked the culmination of a major partnership project to support teachers in 14 African countries. The season included special editions of *Africa, Have Your Say*, and daily reports on a teacher exchange that saw a teacher from Ghana and Kenya swapping their jobs for a week. The initiative brings together the Trust, the UK's Open University and the African Virtual University.

## **Research and Learning in Africa:**

**Angola:** Under the Global Fund project, addressing HIV and AIDS in Angola, baseline research consisting of 16 Focus Group Discussions (FGD) and 20 in-depth interviews across four provinces,

was delivered in July 2007 and four waves of Public Service Announcements (PSAs) were pre-tested throughout the year. A programme of qualitative and quantitative research was completed to inform the strategy and tactics for the project on the upcoming elections.

**Transitional Justice - Liberia, Sierra Leone, Burundi, Uganda, DRC:** As part of this project, the Trust and the International Center for Transitional Justice are carrying out population surveys across each of the five project countries to assess levels of knowledge and attitudes to transitional justice issues, as well as patterns of media consumption and the role of the media in transitional justice.

**Darfur:** An extensive multi-method programme of research on gender based violence has been conducted with a large group of stakeholders and members of target audiences. The results of the detailed report from this research will inform the production of Darfur Lifeline programming dealing with these issues. Formative research has been conducted amongst women and youth of Darfur to inform the launch of weekly women and youth Darfur Lifeline programmes.

**Sudan:** An assessment of the media sector and its capacity to inform their audiences about the upcoming elections is currently being carried out throughout Sudan.

**Ethiopia:** A Baseline Survey of HIV and AIDS and Sexual Reproductive Health Knowledge, Attitudes and Practice and ongoing monitoring of listening clubs across Ethiopia were completed. Key findings were presented to partners and donors in country.

**Kenya:** Formative research amongst Kenyan youth was carried out to inform production of *Kimamasso*.

**Nigeria:** An extensive body of research was undertaken to support multiple projects:

- STOP HIV Campaign (DFID funded): Pre-testing of campaign outputs; An assessment of Audience Engagement with Wetin Dey and KAP surveys of 15–24 year olds to assess the impact of the campaign.
- Packard: Formative and pre-testing research to inform the production of a series of Gatan Gatna Ku focusing on Maternal Health.
- Budget Monitoring (EU and DFID funded): Multiple, largely qualitative assessments, with trainees; CSOs and audiences to understand if and how the project is contributing towards improved reporting and accountability of public finances in six focal states.
- Coalitions for Change (C4C): A feasibility study exploring the use of media to support C4C's work on Constitution Reform and Anti-Corruption in Nigeria.

**Sierra Leone:** A survey of 2,600 18-59 year olds, which was carried out in partnership with the partner, Search for Common Ground to provide information to feed into training for journalists on



reporting on the elections. Pre and post questionnaires as well as in-depth telephone interviews were completed with trainees to explore the impact of the training on journalists' skills.

**Somalia:** A final survey of over 1000 respondents was conducted in Somaliland and Puntland in November 2007 and the topline results show an increase in listenership from the baseline three years ago.

## **Asia**

### **Humanitarian response**

In June 2008, the Trust began lifeline programming for people affected by Cyclone Nargis in Burma. Health, sanitation and other life-saving information are being broadcast on the BBC Burmese Service to reach the hundreds of thousands of people made homeless and who are at continuing threat of disease. The programming is being supported by the Vodafone Foundation.

### **Governance and rights**

**Bangladesh:** The '*Sanglap*' (Dialogue) programme is a *Question Time*-style debate which continues to attract audiences on radio and television in Bangladesh. Last November four *Sanglaps* formed part of a collaborative BBC boat trip along the waterways of Bangladesh to explore the impact of climate change. The boat trip was in progress when Cyclone Sidr hit Bangladesh, the consequent *Sanglaps* focused on the relief effort and allowed citizens to question their leaders about the flow of aid.

**Cambodia:** Across the Asia Pacific region, 1.4 million people are the victims of human trafficking into forced labour. Nearly 50% of these end up as unpaid sex workers. In Cambodia, we worked in partnership with the International Labour Organisation and Cambodian media professionals to produce *In the Dark*, a feature film to alert Cambodian audiences to the dangers and realities of human trafficking. The film also provides information about the link between migration and trafficking. The 100 minute feature film played in cinemas for a week across three provincial and one urban precinct during June 2007, and was shown on national television in January 2008. Eighty-seven per cent of those who saw the film said they would be careful of accepting a job away from home and would not believe employment promises so easily.

**China:** *In touch for China* is aimed at building capacity within the Chinese broadcast media to cover disability issues. The project trained blind and visually impaired young people in radio production and presentation skills. The weekly programmes made by this young and talented group of producers were broadcast on a network of radio stations across China and online.

**Nepal:** We are working in partnership with a network of 2,500 community-based organisations, more than 50 Nepali radio stations and the BBC Nepali Service to produce drama and discussion programmes to support peace and reconciliation in Nepal. *Sajha Sawal* ('Common Questions'), a weekly radio question and answer programme, creates dialogue between those in power, and



communities that have traditionally been excluded, including rural communities and women. In early March 2008, *Sajha Sawal* also began broadcasting on television as well as radio.

### Health

**Cambodia:** We are working to address issues related to HIV and malaria in Cambodia through work on radio and television supported by the Global Fund. Public service advertising campaigns, documentaries and drama are designed to target new audiences. In partnership with Cambodian radio stations and a team of Cambodian young women we are producing a radio programme - *Hip Hop Girls* – on sexual and reproductive health aimed at teenage girls. The weekly phone-in is the only radio programme in Cambodia especially made for this age group, and is broadcast on Saturday morning on FM 103, the country's leading FM station.

We are also working in partnership with Radio National of Kampuchea to co-produce two live radio phone-in programmes targeting men, *Really?* and *Real Men*. The shows discuss sensitive issues such as sex outside marriage, condom use, HIV testing, domestic violence and the consequences of drug abuse.

**India:** Approximately 2.5 million people are living with HIV in India. Across this financial year we have run a public service advertising campaign to 'make condoms normal' in the states of Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu. The focus of the campaign is to get men talking about condoms. Research shows that men who talk openly about sex are more likely to use condoms consistently. The mass media campaign, supported by the Gates Foundation, launched on the eve of World AIDS Day 2007 with a competition designed to get men talking about condoms. Participants answered a riddle in a competition to win a mobile phone with free talk time. The response was huge, with nearly 400,000 people responding to TV, radio and outdoor advertisements by making a local call. The campaign has reached 18 million men so far. Work in India is delivered by our subsidiary company, BBC WST.

**Vietnam:** Across financial year 2007/2008 we have been working in partnership with the Vietnamese government, Vietnam Television (VTV) and provincial radio stations to develop a national mass media campaign to raise awareness of the risk of HIV infection among young people, and to change attitudes towards people living with HIV and AIDS. Qualitative research was conducted among typical and high risk 15-24 year olds in six provinces in 2007. The research aimed to identify lifestyles and media preferences to help shape the development of programmes, and complement existing research on knowledge and attitudes around sex and HIV. As a result, messages will be woven into a national TV drama and discussion programmes to be launched on radio stations across the country.

### Research and Learning in Asia:

**Bangladesh:** A survey carried out by the Trust, reveals that 88% of Bangladeshis believe English will improve their livelihoods. Working with BBC Learning English, the Trust will produce a drama set across the Diaspora, attendant language support programming, discussion programmes and lessons delivered via mobile phone.

**Burma:** The Trust undertook an Information Needs Assessment in October/November 2007, with a number of international agencies inside Burma and Thailand, and in UK and Ireland. The findings around current information needs are grouped under humanitarian needs, conflict information, news items, gender, dialogue, ethnic minorities and migration.

**Cambodia:** Along with delivering research to support the mass media HIV and AIDS campaign and the ongoing sexual health radio programmes, the major highlight of R&L Cambodia's past year was delivering the Cambodia Sentinel Study. The study, which provided a picture of attitudes, practices and social norms relating, in particular, to HIV and AIDS and Men who have Sex with Men (MSM), also confirmed the importance of media and communications in responding to HIV and AIDS in Cambodia. Partners in Cambodia, including UNAIDS, National Aids Authority and a network of Cambodian and International NGOs were presented with the document on March 2008, and in May 2008 it was made public on the Trust website.

**India:** A quasi experimental field study has been designed to measure the impact of the condom normalization campaign. Extensive interviews and focus group discussions have also been conducted to understand the barriers and facilitators to behaviour change among sexually active young men.

**Nepal:** A national study funded independently by the USAID Office of Transitional Initiatives was completed. The survey was designed to understand factors influencing social inclusion and political engagement.

## **Rest of World (Europe, FSU, Middle East and Central Asia):**

### **Governance and rights**

**Central Asia:** This project aims to exploit the potential of local media to raise awareness of key issues affecting women and children in Central Asia and empower civil society to take appropriate action. In order to achieve this goal, the project works to:

- Improve the skills of journalists working in this field, with a view to ensuring that programmes focusing on women's and children's issues are balanced, objective and participatory.
- Increase and enrich the coverage of issues affecting vulnerable groups at target media outlets, thereby raising awareness of these issues in local societies. Approximately 18 senior editors will benefit from on-site consultancies and co-productions. A further 48 media outlets from across the region will be involved in a regional conference on Reporting Vulnerable Groups.
- Encourage the media to give target groups a platform through which their opinions and concerns can be expressed. This will have the effect of empowering vulnerable groups to engage with democratisation processes and take control of their lives.
- Build the capacity of the CSO sector to promote key messages, especially in rural areas. CSO workers will acquire a better understanding of the news agenda and will learn the basic skills of



presenting information to the media in an accessible way. Ninety participants from related CSOs will take part in training and networking from the three countries.

**Iran:** It is impossible for the BBC World Service Trust to deliver face to face training to journalists in Iran. To circumvent government intervention and ensure the safety of its trainees, they went online. Across 2007/2008 the ZigZag project team has continued to build an interactive virtual newsroom to enable aspiring Iranian journalists to generate high quality content for a variety of BBC platforms. Together, they have produced an audience-focused online space where young Iranian trainees from all over the country can experience the day-to-day activities and interactions of an online newsroom, this works alongside mentored 'iLearn' journalism courses.

The award-winning site statistics speak for themselves:

- over 870,000 visits
- 2.65 million page views
- unique users peak: 13,000 per day
- 241 articles published to date excluding weekly page for radio programme
- over 750 users have contributed to more than 5500 posts

New media is embraced not only in delivering the project (online training, virtual newsrooms, website) but also in conducting the research. Research using online surveys, interviews and web metric analysis is exploring the project's multiple audiences (trainee journalists, registered users and visitors) and how new media has facilitated learning and communication.

**Iraq:** Al-Mirbad Radio is our biggest media reconstruction project to date. The station was launched in Basra in the summer of 2005 and since then has become one of the most recognised and listened-to radio stations across the South of the country. The Basra-based broadcast station was built from scratch and we assisted with the importation and construction of the studio and transmission equipment. Al Mirbad now broadcasts live and pre-recorded output every day. Research has shown it is one of the most widely recognised and listened-to radio stations in the South. The funder, DFID, has acknowledged that Al Mirbad is a success story in an otherwise extremely difficult environment. Al Mirbad is generally regarded as an independent, indigenous Basrati broadcaster, a finding confirmed by favourable articles in the Basra Governorate's newspaper.

**Palestine Territories:** In early 2008 work began in partnership with the International Federation of Journalists to strengthen the media in the West Bank and Gaza Strip. We have been holding networking and dialogue events for Palestinian journalists and delivering an extensive programme of journalism training.

**Serbia:** The project is designed to realise the potential of Radio Television Serbia (RTS) to act as a catalyst for democratic change by developing its professional capacity and strengthening its public service values. The intervention has been opportune with the mushrooming of political discourse unfolding in Serbia concerning the future of Kosovo and the direction that Serbia will take in the next



few years. Media is a key factor in shaping peoples opinions and RTS has secured pole position in the market ratings and its evening news programme boasts an audience of 1.6 million people. Meanwhile, the former state broadcaster is in the process of reducing running costs by instituting a programme of redundancies. The project gives RTS the opportunity to access Western European skills and experience at a time when Serbia is facing crucial democratic and territorial challenges. The training and development plan for Journalism and Production focuses on developing craft skills across the radio and TV news teams. The project is also training specialist teams such as documentary-makers, talk-show hosts and promo producers. The management development programme comprises two key strands: general and financial management skills and newsroom or editorial management.

### **Learning for livelihoods**

**Afghanistan:** The Afghan Education Projects (AEP) is the largest media-for-development initiative in Afghanistan. Run by Afghans for Afghans, it provides a wide range of programming for all ages. In April 2007, the AEP launched its colourful interactive website, [www.bbc.co.uk/nazer](http://www.bbc.co.uk/nazer), named after Nazer, one of the most popular characters from *New Home, New Life*. Pashto and Dari speaking audiences, both inside and outside Afghanistan, can listen to and read about their favourite programmes. The site also has downloadable didactic material for schools, and features artwork, stories and photographs contributed by audiences.

The Afghan Education Drama project meanwhile continues to flourish, producing six weekly episodes of the popular drama *New Home, New Life*. It is the most popular cultural programme on the radio in Afghanistan. Nearly two thirds of all radio listeners usually tune in once a month or more - more than 14 million people.

In June 2007, the Afghan Publishing House donated over 130,000 children's books and 30,000 cartoon magazines to the Afghan Ministry of Education. The cartoon magazine, which is in effect the print version of *New Home, New Life*, reinforces the educational messages touched upon by the drama.

*Afghan Woman's Hour* now has 20+ female journalists from all over Afghanistan working with the project. The women send their packages to London for weekly broadcasting on BBC World Service, both in Dari and Pashto. Additional training rounds have also taken place – in Kabul and Mazar-i-Sharif. The youngest participant was a 16-year-old from Kandahar, the oldest a woman in her 40s from Khost.

### **Research and learning in the Rest of World:**

**Afghanistan:** The R&L team has completed a nation-wide audience survey in Afghanistan to measure trends in Afghan opinion, attitudes and values, to explore the potential of media for development in Afghanistan and to explore the impact of AEP programme outputs. This is the first survey of its kind

with a national sample and will provide critical intelligence about current listening trends and programme impact.

A nationwide survey was also conducted to explore the impact of *Afghan Woman's Hour* programming on the knowledge, attitudes and behaviours of the audience in relation to key programme messages.

Qualitative research has also been completed on the effectiveness of the *Afghan Woman's Hour* programme to facilitate shifts in empowerment among its female listeners.

Focus groups have been conducted with young people in urban areas, including migrants to provide audience insights to inform the development of a new urban drama. The focus groups explored the difficulties faced by those living in urban areas and to enable the production to be as relevant and popular as the incredibly successful *New Home, New Life* radio drama, which has operated in Afghanistan for the past 14 years.

**Palestinian Territories:** R&L have conducted a series of interviews with Palestinian media professionals operating in the Territories, looking at the professionalisation of the sector, the challenges faced by journalists and to seek feedback on the first symposium event.

**Iraq:** A survey was undertaken across the coverage area for Al Mirbad radio in Southern Iraq to provide up-to-date audience figures as well as to explore audiences' views on the station and life in Southern Iraq.

**Iran:** A research strategy, embedded into the life cycle of the project included two online surveys; online and offline interviews and webometrics analysis, explored the project's multiple audiences (journalists and bloggers, ZigZag registered users and visitors) in order to understand if and how new media has facilitated learning and communication. In addition, 'Who is the Audience?' training modules were developed and delivered during face-to-face training.



## **Cross-cutting activities:**

### **Policy**

In March 2007 the Trust embarked on a DFID funded Policy and Research programme which aims to promote the role of media and communication in development. The project works with bilateral and multilateral agencies, development think tanks, academics and media development organisations to inform policy debates. Examples of work during this financial year include:

- Policy Briefings, the first of which was published in March 2008 entitled *The Kenyan 2007 elections and their aftermath: the role of media and communication*, a policy analysis of the role of media and communication in the Kenya crisis.
- An event on 'Democracy, Governance and Accountability' was held on 16 January 2008. The conference was a joint initiative by the Trust and the Communications Initiative to discuss the role of media in development.
- A challenge fund was set up around the 75th anniversary of the BBC World Service to enable language services to hold debates on media and society/democracy related debates within their relevant countries. Events and programmes were produced in China (two 45 minute broadcast debates focused on media and society, the first of their kind), Azerbaijan, Armenia, Georgia, Kyrgyzstan, Niger, Burundi, Rwanda and Russia. Two BBC World Debates (see below, Communications) were also supported.
- Supporting policy development in media and communication and democratic governance issues with many agencies.
- In-country policy related research, particularly focused in generating better data and understanding of the information and communication needs of people living in poverty and support of broader research partnerships and initiatives by the Research and Learning Group.
- Clear policy engagement with numerous organisations, including DFID, Sida, Swiss Development Cooperation, Netherlands Foreign Ministry, World Bank Institute, USAID, National Endowment for Democracy (CIMA), Global Knowledge Partnership, Global Forum for Media Development, World Electronic Media Forum, UNDP, UNESCO, UNAIDS, OECD DAC and Society for International Development.
- Partnerships were established with several organisations, including with the Communication Initiative for the development of an online policy window, a space for knowledge sharing, debate and learning on the development policy implications around media and communication.



## Communications

A new Director of Communications took up her post in October 2007 and a new one year communications workplan is being implemented. One component of the plan has been to deliver and build a more efficient and attractive web-based offering. A portion of expenditure this past year was used developing new wireframes and designing a more user-friendly, interactive, and Web2 driven site to help showcase activities and provide a better hub for partnerships and networks.

The new site was launched in March 2008, is highly interactive, linked extensively to other networks and offers the opportunity to make the most of all the new media opportunities Web 2.0 offers: blogs, wikis, audio, video, podcasts and social networking tools. One portal focuses on 'Why media matters' and a new more prominent and well-structured section promotes research and policy outputs while encouraging discussion. Work has also been carried out this past year to develop databases to target different groups and stakeholders.

A redesigned e-newsletter was also launched alongside the new website. Subscriber numbers have been steadily rising and ambitious targets have been set for growth across the year.

Improved internal communications has also been a priority, with a revamped intranet planned for launch in 2008/09.

In the financial year 2007-2008 the main achievements have been:

- A new **Development Calendar** has been introduced as a forward planner to ensure that all the Trust's work links to UN days, World Press Freedom Day, UN High Level on Aid Effectiveness etc. This is shared with staff, who are encouraged to cluster their own activities (events, publications, media work) around these external foci.
- Associated with this we have been clustering our work in themes linked to the calendar and then promoting the role of media for development through the website, external newsletters and media work:
  - **World AIDS Day** (Dec) and **International Women's Day**, with work promoted in newsletters, coverage on BBC website homepages, pan-BBC internal coverage and displays.
  - **World Press Freedom Day** (May 2008) – promotion of the Kenya Policy Briefing (our first ever Policy Briefing) and a dissemination strategy that included copies being distributed at the UNESCO World Press Freedom Day celebrations in Entebbe.
- **Media coverage** has included the *Economist*, *Wall Street Journal*, *BBC Africa Have Your Say*, *World Agenda*, *World Today* and *The Guardian*, *The Times of India*. We also had widespread diaspora coverage in UK Bangladesh press following the Bangladesh 'Sanglaps'.
- **Academic journals**: *International Journal of Press and Politics* (a forthcoming piece by James Deane, based on the Kenya election Policy Briefing, to be published in the June/July edition.

- A new brochure showcasing the work of the **Research and Learning (R&L)** team was published. In addition R&L dissemination papers are available in print and free to download online from our website. The latest papers are on the evaluation of journalist training in Yemen, and on how we are assessing the Trust's governance project using media to promote participation, transparency and accountability in Bangladesh. Other R&L reports included the research on the Bangladesh Sanglap production, which focuses on participation, accountability and transparency in the political process, and the Darfur Lifeline team reporting on Gender-Based Violence and how the programme has helped tackle these issues.
- **Private sector links:** The Trust has been working closely with the Global Business Coalition for HIV, TB and malaria which has included a media profile of Stephen King to feature in their 'Global leaders' interviews for website and magazine.
- **Events: BBC World Debates** – these high profile televised debates link the Trust with BBC World and reach 150 million viewers. The debates provide the opportunity for the Trust to partner with prestigious organisations and for a panel of distinguished speakers to discuss topics linked to global development. Four Trust debates have been co-hosted with BBC World across the past financial year:
  - In September 2007, in association with the **Clinton Global Initiative on Global warming** (with ex-US President, Bill Clinton on the panel);
  - October 2007 saw the broadcast of a debate on **Poverty and Politics**, recorded at the World Bank's headquarters in Washington, DC;
  - In December 2007, at the third **Global Knowledge Conference** in Kuala Lumpur, Malaysia in December 2007 a discussion focused on '**The Future of Learning: Appropriate Technology**';
  - and in March 2008, from **TED** (Technology, Entertainment and Design), a conference held in California, the debate explored '**How true is your world view?**', discussing globalisation and the changing face of media.



## Looking ahead: Our aims for 2008/2009

A new three-year organisational strategy will be finalised in early 2009 and will steer our work in 2009 to 2012. As part of this strategic process the Trust will pursue the following objectives in 2008/9:

### **1) Commitment to quality**

**Aim:** Produce high quality media and communication for development outputs which will bring about positive and measurable change to people's lives.

*Working at a country and regional level, we will develop high-quality multi media outputs in partnership with local media and civil society actors in the fields of health, governance and human rights, livelihoods, the environment and effective response to humanitarian disasters. We will support the development of independent and pluralistic media, better able to hold governments to account. We will frame this work in revised annual country plans developed in consultation with local bodies which will direct and inform our work.*

### **2) Strengthen monitoring and evaluation**

**Aim:** Ensure that the Trust demonstrates impact and strengthens organisational learning.

*We will continue to produce world-class research and impact evaluation work which informs the design and execution of our work and which increases knowledge about what works and what doesn't in the field of media and communications in development. The Trust will pay particular attention to building research capacity at a local level.*

### **3) Influence policy change around the role of media in development**

**Aim:** Ensure that the Trust plays a leadership role in policy and research around the role of media in development.

*We believe that effective communications is a central part of achieving the Millennium Development Goals and we will seek to have this important role of media recognised by funding agencies, broadcasters and civil society. A series of policy papers, research, presentations and broadcast events will be used to 'make the case'.*

### **4) Strengthen communication and knowledge management processes**

**Aim:** To celebrate our achievements and raise our profile through activities that make the BBC World Service Trust's work more efficient, effective and visible.

*The Trust will be 10 years old in 2009 - in preparation for this milestone we will seek to raise our profile with our donors and potential partners, through targeted press and online work, events to celebrate*

*our achievements and work with the BBC to improve collaboration across BBC divisions. We will also implement improved processes across the organisation to enhance organisational efficiency, improve practice and accountability, and ensure robust knowledge management supports our work.*

#### **5) Develop our organisational management and governance**

**Aim:** To strengthen our planning processes to make our work more efficient, transparent and accountable.

*We will review our budgeting and planning processes as part of adopting improved management information systems. We will roll out a consistent and new approach to project management.*

#### **6) Finance our work**

**Aim:** To meet our financial objectives for the year.

*We will increase our expenditure on charitable activities by 5% to £19 million in 2008/9. The Trust will seek to diversify its sources of unrestricted income and build its reserves.*

Our aims are influenced by the **BBC Values**:

- **Trust** is the foundation of the BBC, we are independent, impartial and honest
- **Audiences** are at the heart of everything we do
- We take pride in delivering **quality** and value for money
- **Creativity** is the lifeblood of our organisation
- We **respect** each other and celebrate our diversity so that everyone can give their best
- We are one BBC, great things happen when we **work together**

We sign up to all these core values and endeavour to embody these qualities across all aspects of our work, while also exploring additional qualities that we'd like to add to reflect our role as an NGO. Staff discussions to articulate these additional values form one strand of the strategic process that is underway.

### **Financial review**

The income and expenditure account for the year ended 31 March 2008 shows a similar picture to the previous year with similar levels of total income and total expenditure and with net outgoing resources of £390,430 (2007: £383,748).

Total income increased in the year to £17.9m (2007: 17.6m) with voluntary income increasing by 26% to £841,094 (2007: £668,718). This included an increase of £100,000, on an exceptional basis, in the BBC World Service's grant to the Trust (2008: £250,000, 2007: £150,000). Grants receivable for the year of £17.1m were similar to the previous year (2007: £16.9m) and included grants from the



Department for International Development, the Foreign and Commonwealth Office, the European Union, and the Bill and Melinda Gates Foundation.

Total expenditure increased in the year to £18.3m (2007: £18.0m). Expenditure on our charitable activity of changing lives through media development and development communication represented a healthy 98% of total expenditure.

A significant factor in the net outgoing resources for 2007/08, as in the previous year, is the reluctance of international donors to provide grants to fund projects on a fully-overhead basis. As the Trust has grown in recent years, the costs of programme development, project management and support, organisational management and governance, have also increased in order to support the additional charitable activity. In comparison, unrestricted voluntary income has grown more slowly.

The Trust has responded by appointing a Director of Business Development, with the aim of increasing voluntary income for 2008/09 and subsequent years. The principal targets are institutional donors, foundations, corporations, and high net worth individuals. To improve its capacity to achieve a more favourable financial outcome, notwithstanding unpredictable or difficult operating conditions, the Trust will further strengthen its budgeting and planning processes and management information systems during 2008/09.

## **Financial policies**

### **Reserves**

As a result of the net outgoing resources of £390,430 net assets in the consolidated balance sheet fell to £374,017.

During the year the Board of Trustees reviewed reserves policy. The review was carried out in the context of the review of risks and opportunities for the Trust. The low level of net assets at 31 March 2008 increases the overall level of risk that the Trust currently faces. The Board of Trustees considers that the Trust should hold reserves equivalent to approximately four months central costs (these being costs incurred in London including both staff and facilities), equivalent to approximately £1.6m during the year ended 31 March 2008.

Unrestricted reserves at 31 March 2008 held in the general fund amounted to £374,017 (31 March 2007: £764,447). The Board of Trustees considers that the unrestricted reserves, which are set out in note 13 to the financial statements are significantly below the level required by the Trust, and have instructed management to build up reserves in the year ending 31 March 2009 and in the following years. Reserves policy is reviewed by the Board of Trustees on an annual basis.

### **Investment Policy**

Cash balances are set out in the consolidated and Trust balance sheets and in the notes of the financial statements. Cash balances are held in UK and overseas banks according to operational requirements. The objective of the investment policy is to maximise interest while limiting risk.

### **Going concern**

The Board of Trustees is of the opinion that the Trust and the group have adequate resources to continue in operational existence for the foreseeable future.

## **Our organisation**

### **Staff and volunteers**

The quality and creativity of our outputs are directly attributable to the calibre and expertise of our staff. In 2007/08 The BBC World Service Trust employed a total of 510 staff, with 70 based in the London. Of the staff based outside London, 63% are in the Rest of World region, 19% in Africa, and 16% in Asia. This includes 20 expatriate staff who have specialist skills in media and or international development, and who are originally from UK, US, Canada, Nepal, Palestinian Territories and Australia, as well as locally recruited staff from the countries we work in.

The skill sets are diverse. In addition to attracting journalists from elsewhere in the BBC and other media organisations, we have employed specialist development practitioners, trainers, producers, actors, development finance professionals, marketing and research experts from the private sector, and a host of other complementary skills.

We advertise many of our jobs locally and invest in building local skills, and a high proportion of our staff are based in countries where we work. The work of the Trust is about empowerment and helping to develop local skills, so that our work can be sustained long-term, long after our own in-country projects may have concluded. As a consequence, wherever possible we recruit staff from the countries or regions where we operate.

We are also keen to ensure a positive and supportive working environment for our staff. A new internal communications working group was instigated at the beginning of 2008 with the following aims:

- To ensure the BBC World Service Trust is an organisation where **knowledge tools and processes, relationships and collaborations, organisational contextual factors and external factors** are dealt with in a **coherent manner**.
- The goal is to ensure the BBC World Service Trust is a **positive, supportive, rewarding and enjoyable** place to be, organised around values, principles and systems that result in **enhanced efficiency, effectiveness and job satisfaction**.
- Employees will have a **clear and shared sense of priorities, processes and goals** and have the tools they need to deliver.



The BBC World Service Trust has volunteers and work experience placements on a regular basis.

### **Legal structure**

The BBC World Service Trust (the Trust) is registered as a charity (registered number 1076235), and is incorporated as a company limited by guarantee (registered number 3521587). The Trust was established under its Memorandum of Association with the objects and powers of a charitable company. It is governed by its Articles of Association.

The sole member of the Trust (the BBC) undertakes to contribute to the assets of the Trust in the event of it being wound up, while it is a member or within one year after it ceases to be a member for payment of the debts and liabilities of the Trust contracted before it ceases to be a member, and of the costs, charges and expenses of winding up, for the adjustment of the rights of the contributors among themselves such amount as may be required not exceeding £11. Each Trustee is a subscriber to the Memorandum of Association and accordingly the Trust had ten subscribers at the end of the year 2007/2008.

### **Subsidiary companies**

The BBC World Service Trust has two subsidiary companies which are both 100% owned by the Trust. The Marshall Plan of the Mind Inform did not trade during the year. The BBC WST Limited received charity status during the year. The work in India during the year was transacted through the BBC WST Limited.

### **Governance**

The Trustees, who are also directors of the company, are listed on page 25, meet at quarterly intervals for the despatch of business. A Trustee may, and the Secretary on requisition of a Trustee may, at any time summon a meeting of the Trustees. The quorum necessary for the transaction of the business of the Trustees shall be the greater of two Trustees or one third of the total number of Trustees.

The Trustees seek to ensure that all activities conform to UK and relevant local laws and are within agreed charitable objectives. Their work includes setting strategic direction and agreeing the financial plan. Trustees act on advice and information from regular meetings with the Director. Decisions made at other levels of the organisation are reported to the Trustees.

The Finance and Audit Committee is a sub-committee of the Board of Trustees and consists of three members. It meets at least four times a year.

## **Organisational structure and management**

The BBC World Service Trust has a head office in London, UK, where core support functions of Business Development, Communications, Finance, Human Resources, IT and the Director are based. A Senior Management Team (SMT) of seven Directors report to the Director of The BBC World Service Trust. The SMT roles comprise: three Regional Directors (Africa, Asia and Europe, Rest of World), Director of Business Development, Director of Communications, Director of Finance and Business Services, and Director of Research and Knowledge Management.

There are BBC World Service Trust offices in 15 countries which are managed by Regional Country Directors and Country Heads, appointed by and accountable to the UK office.

The country offices work with local NGOs and media partners in delivering across five primary themes: Emergency Response, Environment, Governance and Human Rights, Health and Learning for Livelihoods.

In addition, London-based Project Managers work within regions and across groups of projects and themes, overseeing project life cycles, providing logistical support, and seeking further business development.

Across the financial year 2007/08 there has been significant investment in developing project management and organisational systems and processes. These new ways of working are now being rolled out across the Trust and will facilitate more linked up processes, prevent duplication of effort, and build – and share – staff skills.

## **Risk Management**

The BBC World Service Trust has identified the major risks affecting its work and has ranked these by likelihood and impact. A risk register has collated these and ordered them according to level of risk. The Trustees have reviewed these risks and are satisfied that reasonable steps are being taken to mitigate exposure to these risks. The Senior Management Team reviews the register quarterly and is responsible for managing each risk identified.

The Trust operates an annual planning and budgeting system with an annual budget approved by the Trustees. Any significant changes to those plans need specific approval. Financial forecasts are prepared and reviewed on a quarterly basis through the course of the year.



## **Statement of the Board of Trustees' responsibilities for the financial statements**

The Board of Trustees is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and Trust and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the Board of Trustees is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the Trust will continue in operation

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and Trust and which enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice: accounting and reporting by charities 2005. The Board of Trustees is also responsible for safeguarding the assets of the group and Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and the Trustees 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 auditors are aware of that information.

Approved by the Board of Trustees on 14 July 2008 and signed on its behalf by:

*Nigel Chapman.*

Nigel Chapman CMG  
Chair

## **Trustees, Senior Staff and Advisors**

### **Patrons**

Glenys Kinnock MEP

Edward McMilan-Scott MEP

### **Trustees**

Nigel Chapman\* (Chair)

Zeinab Badawi

Michael C. McCulloch †

Dr Michael C. Williams

Prof Patrick Vaughan

Bhupendra Mistry †

Susan Robinson-King

Alison Woodhams\* (resigned September 2007)

Chris Beaman (retired January 2008)

Caroline Thomson\* (retired January 2008)

Richard Manning (appointed April 2008)

Richard Thomas\*† (appointed April 2008)

Zarin Patel\* (appointed April 2008)

### **Company secretary**

Lindsey North\*

\* BBC representative

† Member of Finance and Audit Committee

### **Executive Team**

Stephen King – Director

Awo Ablo – Director of Business Development

Kirsty Cockburn – Director of Communications

Simon Derry – Regional Director, Europe, FSU and Middle East

Caroline Howie – Regional Director, Asia

Andrew Lawrence – Director of Finance and Business Services

Gerry Power – Director of Research and Knowledge Management

Anna da Silva – Regional Director, Africa

### **Auditors**

KPMG LLP, Chartered Accountants, Registered Auditors, London.

### **Bankers**

Lloyds TSB Bank plc, City Office, PO Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

### **Registered Office**

Bush House, PO Box 76, Strand, Aldwych, London WC2B 4PH

**Registered number** 3521587

**Registered charity number** 1076235



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BBC WORLD SERVICE TRUST

We have audited the group and charity financial statements (the 'financial statements') of The BBC World Service Trust for the year ended 31 March 2008 which comprise the group Statement of Financial Activities, the group and charitable company Balance Sheets, the group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the trustees and auditors

The responsibilities of the charitable company's trustees, who are also the directors of The BBC World Service Trust for the purposes of company law, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 24.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatement within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 31 March 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

**KPMG LLP**  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square  
London  
EC4Y 8BB

*KPMG LLP*

*2 September 2008*

## Consolidated Statement of Financial Activities

(including the income and expenditure account) for the year ended 31 March 2008

		Restricted funds 2008	Unrestricted funds 2008	Total 2008	Total 2007
	Note	£	£	£	£
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	-	841,094	841,094	668,718
Investment income	3	-	29,048	29,048	69,007
<i>Incoming resources from charitable activities:</i>					
Grant funding for specific charitable activities	4	15,906,852	1,168,739	17,075,591	16,886,727
<b>Total incoming resources</b>		<b>15,906,852</b>	<b>2,038,881</b>	<b>17,945,733</b>	<b>17,624,452</b>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	5	-	(79,047)	(79,047)	-
<i>Charitable activities</i>					
Changing lives through media and communication:					
Africa	5	(5,776,932)	(640,231)	(6,417,163)	(6,207,676)
Asia	5	(4,906,280)	(666,264)	(5,572,544)	(4,873,711)
Rest of World	5	(4,634,084)	(792,958)	(5,427,042)	(6,730,326)
Cross cutting activities	5	(589,556)	-	(589,556)	-
<b>Total charitable activities</b>		<b>(15,906,852)</b>	<b>(2,099,453)</b>	<b>(18,006,305)</b>	<b>(17,811,713)</b>
<i>Governance costs</i>	5	-	(250,811)	(250,811)	(196,487)
<b>Total resources expended</b>		<b>(15,906,852)</b>	<b>(2,429,311)</b>	<b>(18,336,163)</b>	<b>(18,008,200)</b>
<b>Net outgoing resources</b>		<b>-</b>	<b>(390,430)</b>	<b>(390,430)</b>	<b>(383,748)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		-	764,447	764,447	1,148,195
<b>Total funds carried forward</b>	<b>13, 14</b>	<b>-</b>	<b>374,017</b>	<b>374,017</b>	<b>764,447</b>

The statement of financial activities includes all gains and losses recognised during the year. All incoming resources and resources expended derive from continuing activities.



## Consolidated and Trust Balance Sheets

at 31 March 2008

	Note	Group 2008 £	Group 2007 £	Trust 2008 £	Trust 2007 £
<b>Fixed assets</b>					
Investments	8	-	-	18,274	46,037
<b>Current assets</b>					
Debtors	9	5,516,322	4,135,003	5,496,320	4,135,003
Cash at bank	10	2,532,849	3,208,004	2,479,443	3,208,004
		<b>8,049,171</b>	<b>7,343,007</b>	<b>7,975,763</b>	<b>7,343,007</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	(7,252,476)	(6,287,103)	(7,197,342)	(6,333,140)
<b>Net current assets</b>					
		<b>796,695</b>	<b>1,055,905</b>	<b>778,421</b>	<b>1,009,868</b>
Provisions for liabilities	11a	(422,678)	(291,458)	(422,678)	(291,458)
		<b>374,017</b>	<b>764,447</b>	<b>374,017</b>	<b>764,447</b>
<b>The funds of the group/Trust</b>					
Unrestricted funds	13,14	374,017	764,447	374,017	764,447
Restricted funds	13	-	-	-	-
<b>Total Funds</b>	13	<b>374,017</b>	<b>764,447</b>	<b>374,017</b>	<b>764,447</b>

The notes on pages 30 to 39 form part of these financial statements.

The financial statements on pages 27 to 39 were approved by the Board of Trustees on 14th July 2008 and were signed on its behalf by:

*N.C. Chapman*

NC Chapman  
Trustee

**Consolidated Cash Flow Statement**  
*for the year ended 31 March 2008*

	<i>Note</i>	<b>Total 2008 £</b>	<b>Total 2007 £</b>
<b>Net cash outflow from operating activities</b>	<i>16</i>	<b>(704,204)</b>	<b>(410,492)</b>
<b>Returns on investments and servicing of finance</b>			
Investment income	<i>3</i>	<b>29,048</b>	<b>69,007</b>
<b>Decrease in cash</b>	<i>17</i>	<b><u>(675,156)</u></b>	<b><u>(341,485)</u></b>



**Notes** (forming part of the financial statements)  
for the year ended 31 March 2008

## **1 Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

### ***Basis of preparation***

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable UK accounting standards and under historical cost accounting rules.

The accounts have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (March 2005) and on a going concern basis.

### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the Trust and its subsidiary undertakings made up to 31 March 2008.

The financial statements of BBC WST Limited, a company registered in England and Wales and the financial statements of BBC Marshall Plan of the Mind Inform, a close joint stock company registered in Russia, have been consolidated with those of the Trust. It should be noted that BBC Marshall Plan of the Mind Inform did not trade in the current or prior years. The results of the subsidiaries are consolidated on a line-by-line basis.

Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

### ***Limited by guarantee***

The Trust is a company limited by guarantee. The sole member of the company undertakes to contribute to the assets of the company in the event of it being wound up, while it is a member or within one year after it ceases to be a member, for payment of the debts and liabilities of the company contracted before it ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £11. The Trust had one member (the BBC) at the end of the period.

Each Trustee is a subscriber to the Memorandum of Association and accordingly the Trust had 10 subscribers at the end of the year.

### ***Fund Accounting***

The charity has various types of funds for which it is responsible and for which separate disclosure is required as follows:

#### ***Restricted income funds***

Grants which are earmarked by the funder for specific purposes. Such purposes are within the overall aims of the charity.

#### ***Unrestricted funds***

Funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity.

**Notes** (continued)  
for the year ended 31 March 2008

**1 Accounting Policies** (continued)

***Incoming Resources***

All incoming resources are included in the statement of financial activities (SOFA) when the charity is legally entitled to them, it is reasonably sure of receipt and the amount can be measured with sufficient reliability.

*Donated Services and Facilities* - The BBC World Service Trust is a corporate charity of the BBC and as such is supported through the provision of office space and associated utilities and services at no charge. These are recognised at cost, in the charity's Statement of Financial Activities (see Support costs, Note 5) and are offset by an equivalent amount of unrestricted income from the BBC (note 2).

*Incoming resources from charitable activities* are grants specifically for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries (paragraph 145e of SORP 2005). These are grants receivable which relate to the current year and are subject to donor imposed conditions which specify the time period in which expenditure of resources can take place. These grants less the management fee are credited to restricted income within the SOFA, with unspent balances being carried forward to subsequent years within the relevant fund. Where grants allow a management fee to be earned the management fee is credited to unrestricted income within the SOFA. Specific debts are recognised where approved grant expenditure exceeds grant income received to date and the charity can demonstrate entitlement to the income. Similarly, where entitlement to income is in a future period, the income has been deferred.

***Resources expended***

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

*Governance costs* are the costs associated with the governance arrangements of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include internal and external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements (e.g. the cost of Trustee meetings and preparing statutory accounts). Included within this category are any costs associated with the strategic as opposed to day to day management of the charity's activities.

*Support costs*, which include the central or regional office functions such as general programme support, payroll administration, budgeting and accounting, information technology, human resources, and financing, are allocated across the categories of charitable expenditure and governance costs. The basis of the cost allocation has been explained in the notes to the accounts. The allocation for the purposes of the Statement of Recommended Practice may not always reflect the definition per various donor contracts.

***Foreign currency***

Transactions denominated in foreign currencies are recorded in sterling at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date and any exchange differences arising are taken to the statement of financial activities.

***Pension Costs***

Some UK employees are members of the BBC's pension schemes. The BBC group operates both defined benefit and defined contribution schemes for the benefit of the employees. The BBC group has adopted the full provision of FRS17.

***Defined Benefit scheme***

The defined benefit schemes provide benefits based on final pensionable pay. The pension assets of the BBC Main Scheme, to which the majority of BBC employees belong, are held separately from those of the BBC group.



**Notes** (continued)  
for the year ended 31 March 2008

**1 Accounting Policies** (continued)

*Pension Costs* (continued)

*Defined Contribution scheme*

The amounts charged as expenditure for the defined contribution scheme represents contributions payable by the Trust for the accounting years in respect of this scheme.

The Trust, following the provisions within FRS 17, accounts for the scheme as if it were a defined contribution scheme. This is because it is not possible to identify its share of underlying assets and liabilities of the scheme on a consistent and reliable basis. The expenditure charged for the Trust therefore represents the contributions payable in the year. These contributions benefit from the surplus in the scheme and are lower than the regular cost.

**2 Voluntary income**

Donations in the current year were derived from the following sources:

	Total 2008 £	Total 2007 £
BBC Group	415,081	369,384
BBC World Service	250,000	150,000
Norwegian Agency for Development Cooperation (Norad)	114,697	86,987
Swiss Development Corporation	37,307	49,757
Individuals / Other	24,009	12,590
	<u>841,094</u>	<u>668,718</u>

**3 Investment income**

	2008 £	2007 £
Bank interest receivable	<u>29,048</u>	<u>69,007</u>

**4 Incoming resources from charitable activities:**

	Total 2008 £	Total 2007 £
Grant funding for specific charitable activities		
Africa Region	6,232,218	5,990,276
Asia Region	5,220,331	4,633,217
Rest of World	5,031,490	6,263,234
Cross cutting activities	591,552	-
	<u>17,075,591</u>	<u>16,886,727</u>

**Notes** (continued)  
for the year ended 31 March 2008

**5 Resources expended**

	Direct project costs 2008	Project staff costs 2008	Allocation of support costs 2008	Total 2008	Total 2007 (Restated)
	£	£	£	£	£
<b>Cost of generating funds:</b>					
Costs of generating voluntary income	79,047	-	-	79,047	-
<b>Charitable activities</b>					
Changing lives through media and communication					
Africa	4,009,130	1,767,802	640,231	6,417,163	6,207,676
Asia	3,591,477	1,314,803	666,264	5,572,544	4,873,711
Rest of World	2,186,057	2,448,027	792,958	5,427,042	6,730,326
Cross cutting activities	234,096	355,460	-	589,556	-
Total costs of charitable activities	10,020,760	5,886,092	2,099,453	18,006,305	17,811,713
Governance	92,409	106,022	52,380	250,811	196,487
<b>Total resources expended</b>	<b>10,192,216</b>	<b>5,992,114</b>	<b>2,151,833</b>	<b>18,336,163</b>	<b>18,008,200</b>

Governance includes audit costs, trustee meeting costs and a proportion of the cost of the Director, the Director of Finance and Business Services and finance staff. Support costs are allocated on an apportionment basis.

**The support costs allocated and basis of apportionment were:**

	Total 2008	Restated Total 2007	Basis of apportionment
	£	£	
<b>Support activity</b>			
Programme support	674,607	590,356	Estimated time spent
General management	572,212	363,312	Estimated time spent
Financial management	347,606	265,133	Estimated time spent
Information Technology	223,707	247,560	Pro-rata by direct project expenditure
Premises and facilities	333,701	369,384	Pro-rata by direct project expenditure
	<b>2,151,833</b>	<b>1,835,745</b>	

As permitted by section 230 of the Companies Act 1985, the individual company's statement of financial activities has not been included in these financial statements. The gross income for the charity is £16,139,452 and the net result for the charity is a deficit of £362,664

	2008	2007
	£	£
Audit of financial statements of subsidiaries pursuant to legislation in UK	25,000	22,000
Audit of financial statements of subsidiaries pursuant to legislation in India	7,000	6,813
	<b>32,000</b>	<b>28,813</b>



**Notes** (continued)

for the year ended 31 March 2008

**6 Trustees and employees**

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 1985) receive no remuneration for their services. Trustees' expenses of £3,534 (2007: £4,226) during the year relates to the reimbursement of travel costs incurred while carrying out their duties for the Trust. Expenses were paid to three trustees (2007: three). Trustees are provided with indemnity insurance as part of the BBC group's Directors' and Officers' policy. There is no direct charge to the Trust.

All UK staff employed on a continuing basis by the Trust have employment contracts with the BBC. Staff costs referred to in note 5 are either incurred in the form of payments to the BBC for these staff members or internationally by project based payrolls.

**7 Staff costs**

	2008	2007
	£	£
<b>Costs of staff on UK contracts</b>		
Wages and salaries	3,691,311	3,563,880
National Insurance	347,533	331,350
Pension costs	447,638	183,870
Other staff costs	198,288	227,091
	<u>4,684,770</u>	<u>4,306,191</u>

Employees with emoluments of £60,000 and over fell into the following bands:	2008	revised 2007
£60,000-£69,999	1	0
£70,000-£79,999	3	2
£80,000-£89,999	2	1
£90,000-£99,000	1	1

The number of employees whose emoluments were greater than £60,000 to whom retirement benefits are accruing under defined benefits schemes is 3 (2007: 3)

The average number of employees calculated on a full-time equivalent basis, analysed by function was:

	2008	2007
<b>Programme activities (charitable)</b>		
Asia	82	166
Africa	180	139
Rest of World	133	132
Cross cutting activities	1	-
Governance of the charity	2	2
	<u>398</u>	<u>439</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 97 (2007: 91). The number of staff, including part time staff, employed locally on overseas contracts was approximately 301 (2007: 348) at a cost of £1,882,541 (2007: £1,594,254)

Total staff costs of £5,992,114 are split in Note 5 between staff costs directly attributable to activities and staff costs included within support costs and allocated to activities and governance.

**Notes** (continued)  
for the year ended 31 March 2008

**8 Fixed Asset Investment**

	<b>Trust 2008</b>	2007
	£	£
Investment in BBC WST Limited		
Cost	54,990	54,990
Less: Cumulative impairment	<b>(36,716)</b>	<b>(8,953)</b>
	<b>18,274</b>	<b>46,037</b>

The BBC WST Limited is 100% owned by the BBC World Service Trust. The BBC Marshall Plan of the Mind Inform is 100% owned by the BBC WST Limited and did not trade in the year. The carrying value of BBC Marshall Plan of the Mind Inform in the accounts of BBC WST Limited is £nil (2007: £nil).

**9 Debtors**

	<b>Group 2008</b>	Group 2007	<b>Trust 2008</b>	Trust 2007
	£	£	£	£
Trade debtors	2,317,279	2,432,205	2,317,279	2,432,205
Other debtors	93,884	188,850	93,884	188,850
Prepayments	174,433	96,354	163,264	96,354
Accrued income (see note 12)	2,930,726	1,417,594	2,921,893	1,417,594
	<b>5,516,322</b>	<b>4,135,003</b>	<b>5,496,320</b>	<b>4,135,003</b>

All debtors fall due within one year

**10 Cash at bank and in hand**

	<b>Group 2008</b>	Group 2007	<b>Trust 2008</b>	Trust 2007
	£	£	£	£
Cash held at bank in UK	1,296,115	1,683,683	1,296,115	1,683,683
Cash held at bank overseas	1,236,734	1,524,321	1,183,328	1,524,321
	<b>2,532,849</b>	<b>3,208,004</b>	<b>2,479,443</b>	<b>3,208,004</b>

**11 Creditors: amounts falling due within one year**

	<b>Group 2008</b>	Group 2007	<b>Trust 2008</b>	Trust 2007
	£	£	£	£
Trade creditors	221,673	269,056	221,673	269,056
Amounts due to subsidiary and associated undertakings	365,672	160,396	1,899,904	206,433
Other Creditors	252,701	227,830	252,701	227,830
Accruals	676,316	603,693	357,049	603,693
Deferred Income (see note 12)	5,736,114	5,026,128	4,466,015	5,026,128
	<b>7,252,476</b>	<b>6,287,103</b>	<b>7,197,342</b>	<b>6,333,140</b>

**11a Provisions for liabilities**

	<b>Group 2008</b>	Group 2007	<b>Trust 2008</b>	Trust 2007
	£	£	£	£
Overseas employment tax	251,743	291,458	251,743	291,458
Project costs	146,260	-	146,260	-
Dispute costs	24,675	-	24,675	-
	<b>422,678</b>	<b>291,458</b>	<b>422,678</b>	<b>291,458</b>



**Notes** (continued)

for the year ended 31 March 2008

**11a Provisions for liabilities** (continued)

The provision for overseas employment tax relates to employer and employee tax obligations in countries where the Trust is operating or has operated in the past. £68,621 of the provision held at 1 April 2007 has been credited to the income and expenditure account during the year. An additional £28,907 has been provided during the year in relation to new obligations and charged to the income and expenditure account. It is expected that the Trust will settle these employment tax obligations within

The provision for project costs relates to costs that are not expected to be recovered and are therefore an obligation. £146,260 has been provided during the year and charged to the income and expenditure account. It is expected that the majority of these obligations will be paid during the year ending 31 March 2009.

The provision for dispute costs relates to the costs to settle claims and pay legal costs in countries where the Trust is operating or planning to operate. £24,675 has been provided during the year and charged to the income and expenditure account. It is expected that the Trust will settle the obligations within the next two years.

**12 Deferred income**

The most significant individual projects for which income was deferred are detailed below:

	Total Deferred Income 2007 £	Total Accrued Income 2007 £	Amount received 2008 £	Project Expenditure 2008 £	Total Deferred Income 2008 £	Total Accrued Income 2008 £
AEP - New Homes, New Lives	0	(13,173)	1,171,111		371,093	0
** Afghan RTA Phase II GCPP	0	0	383,000	(214,805)	168,195	0
** Afghan Woman's Hour (extension)	268,937	0	370,644	(395,678)	243,903	0
* AMDI - phase 2	0	0	0	(66,926)	0	(66,926)
Angola HIV/AIDS Phase 2	0	(80,587)	(67,136)	0	0	(147,723)
** Azerbaijan ITV Training Phase II	0	0	75,381	(868)	74,513	0
Central Asia EU	0	0	285,637	(124,425)	161,212	0
Charles Taylor - West Africa	157,422	0	113,811	(147,236)	123,997	0
China EIDHR - Tuning in to Human Rights	5,374	0	0	(335,009)	0	(329,635)
Condom Promotion Project	1,114,805	0	1,758,421	(1,727,050)	1,146,176	0
Darfur Lifeline - Irish Aid	0	0	163,466	(47,153)	116,313	0
* Darfur - Lifeline Programming	23,128	0	(3,987)	0	19,141	0
* Darfur Lifeline Project (DFID)	0	0	287,966	(389,818)	0	(101,852)
DIPECHO - India (European Commission)	0	0	129,975	(10,803)	119,172	0
Ethiopia EU	42,157	0	0	(549,308)	0	(507,151)
** FCO Moldova Conflict Resolution	0	0	19,731	(21,611)	0	(1,880)
* INDIA HIV/AIDS 2 - 04-07	181,548	0	0	(43,727)	137,821	0
In Touch for China - yr 1	40,370	0	203,383	(216,050)	27,703	0
IRAN JOURNALISM TRAINING	885,810	0	507,198	(889,548)	503,460	0
* Iraq Al Mirbad Phase III	0	0	345,000	(438,670)	0	(93,670)
* Iraq Al Mirbad Oct 07 - Sep 09	0	0	552,110	(473,305)	78,805	0
Kenya JICA budget yr 2	0	0	27,393	(111,457)	0	(84,064)
** Maldives Election Reporting FCO	0	0	0	(35,375)	0	(35,375)
** Montenegro Capacity Building	0	0	50,000	(12,468)	37,532	0
* Nigeria HIV/AIDS project	137,010	0	2,431,115	(2,533,287)	34,838	0
Nigeria Budget Monitoring	0	(35,583)	381,937	(186,080)	160,274	0
REACH - 'Our World - Our Future'	27,764	0	276,847	(200,310)	104,301	0
** Serbia Community Media FCO	0	0	174,974	(75,699)	99,275	0
* Sierra Leone - Elections	0	(50,789)	19,404	(170,726)	0	(202,111)
Somali Lifestock	0	(21,035)	0	(200,866)	0	(221,901)
** Sri Lanka Environment 2	0	0	0	(30,922)	0	(30,922)
Other (124 projects)	2,141,803	(1,216,427)	6,615,064	(6,639,566)	2,008,390	(1,107,516)
	<b>5,026,128</b>	<b>(1,417,594)</b>	<b>16,272,445</b>	<b>(16,288,746)</b>	<b>5,736,114</b>	<b>(2,930,726)</b>

\* These projects were wholly funded by the Department for International Development (DFID).

\*\* These projects were wholly funded by the Foreign and Commonwealth Office (FCO).

In FY 07/08 the group had 155 active projects. Those with the most significant activity and those funded by DFID and FCO have been separately listed.

**Notes** (continued)  
for the year ended 31 March 2008

**13 Funds Analysis**

	Restricted funds £	Unrestricted funds £	Total £
Balance at 1 April 2007	0	764,447	764,447
Incoming Resources	15,906,852	2,038,881	17,945,733
Outgoing Resources	(15,906,852)	(2,429,311)	(18,336,163)
<b>Balance at 31 March 2008</b>	<b>0</b>	<b>374,017</b>	<b>374,017</b>

**14 Analysis of group net assets between funds**

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2008 are represented by:			
Net current assets	146,260	650,435	796,695
Provisions for liabilities	(146,260)	(276,418)	(422,678)
	<b>0</b>	<b>374,017</b>	<b>374,017</b>

**15 Subsidiary undertakings**

The Trust has two 100% owned subsidiary undertakings: The BBC WST Limited and BBC Marshall Plan of the Mind Inform, which were acquired on 1 October 1999.

The BBC WST Limited is incorporated in Great Britain and registered in England and Wales.

BBC Marshall Plan of the Mind Inform is incorporated in Russia. It did not trade during the current and prior years.

The investment in BBC WST Limited is held directly; the investment in BBC Marshall Plan of the Mind Inform is held by BBC WST Limited.

**16 Reconciliation of net movement in funds to net cash outflow from operating activities**

	2008 £	2007 £
Net outgoing resources	(390,430)	(383,748)
Investment income	(29,048)	(69,007)
(Increase)/decrease in debtors	(1,381,319)	(595,229)
Increase/(decrease)in creditors including deferred income	965,373	637,492
Increase/(decrease)in provisions	131,220	-
<b>Cash outflow from operating activities</b>	<b>(704,204)</b>	<b>(410,492)</b>

**17 Reconciliation of movement in cash**

	2008 £	2007 £
Net decrease in cash in the year	(675,156)	(341,485)
Cash at the start of the year	3,208,004	3,549,489
<b>Cash at the end of the year</b>	<b>2,532,848</b>	<b>3,208,004</b>



**Notes** (continued)  
for the year ended 31 March 2008

**18 Commitments**

There were no capital commitments at the end of the financial year.

**19 Pension costs**

Many BBC World Service Trust employees are members of the BBC's pension schemes, the BBC Pension Scheme (a defined benefit scheme) and the Group Personal Pension Scheme (a defined contribution scheme).

**BBC Pension Scheme (Defined Benefit Scheme)**

The BBC Pension Scheme provides salary related pension benefits on a defined benefit basis from assets held in separate, trustee-administered funds.

The scheme is subject to independent valuation by a professionally qualified actuary at least every three years, on the basis of which the actuary certifies the rate of employer's contributions. These, together with the specified contributions payable by employees and proceeds from the scheme's assets, are expected to be sufficient to fund the benefits payable under the scheme.

The most recent full actuarial valuation of the scheme was prepared as at 1 April 2007 by Watson Wyatt, consulting actuaries. At 1 April 2007, the actuarial value of the assets was sufficient to cover 103% of the benefits due to members, after allowing for expected future increases in earnings.

As a result of the 2007 actuarial valuation by Watson Wyatt, it has been agreed between the BBC and the pension scheme trustees that:

- the employer contributions will increase to 19.35% from 1 July 2008. Employee contributions will rise from 6% to 6.75% from 1 April 2009 and to 7.5% from 1 April 2010, with employer contributions decreasing from 19.35% to 18.6% from 1 April 2009 and to 17.85% from 1 April 2010;
- the additional payments are no longer required.

The next formal actuarial valuation is expected to be performed as at 1 April 2010.

**Contribution rates**

	Employer %	Employee %
Projected 2010	18.6	6.75
Projected 2009	18.8/19.35	6.0
2008	18.8	6.0
2007	7.5	5.5/6.0
2006	6.0	5.5

The Trust, following the provisions within *FRS 17: Retirement Benefits*, accounts for the scheme as if it were a defined contribution scheme. This is because it is not possible to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The pension cost charged for this scheme therefore represents contributions payable by the Trust to the scheme and the costs amounted to £73,941 in the year (2007: £40,129).

The actuarial valuation was updated for FRS 17 purposes to 31 March 2008 by Watson Wyatt, consulting actuaries. This valuation identified a surplus of £528.4 million in the scheme at 31 March 2008 (2007: surplus of £329.3 million as restated for the adoption of the Amendment to FRS 17). Additional disclosure about the scheme and its financial position under FRS17 is provided in the BBC Annual Report and Accounts that can be found at [bbc.co.uk/annualreport](http://bbc.co.uk/annualreport)

**Notes** *(continued)*  
*for the year ended 31 March 2008*

**19 Pension costs** *(continued)*

**Group Personal Pension Scheme (Defined Contribution Scheme)**

The BBC also operates its own defined contribution pension schemes, including those operated in the USA and Australia. The assets of these schemes are held separately from those of the Group in independently administered funds. The pension cost represents contributions payable by the Trust to the funds and this amounted to £373,697 in the current year (2007: £143,741).

**20 Related party transactions**

During the year, the Trust procured some services from BBC World Service and other BBC companies on an arms length basis. At 31 March 2008, an amount of £365,672 (2007: £160,396) was owing to the BBC Group. This amount owing is non-interest bearing and repayable on demand.